

CONFORMED COPY

CREDIT NUMBER 2636 IVC

Development Credit Agreement

National Agricultural Services Support Project

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 12, 1994

CREDIT NUMBER 2636 IVC

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated September 12, 1994, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Association has received a letter dated June 15, 1994, from the Borrower describing a program of actions designed to implement the Borrower's strategy in the Agricultural Services Subsector (hereinafter called the Agricultural Services Program), and declaring the Borrower's commitment to the execution of such program;

WHEREAS (B) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

WHEREAS (C) Part A of the Project will be carried out by the Agence Nationale d'Appui au Developpement Rural (ANADER) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to ANADER part of the proceeds of the Credit as provided in this Agreement;

WHEREAS (D) by agreement dated January 13, 1994 (the IFAD Loan Agreement), the International Fund for Agricultural Development (IFAD) has agreed to make a loan (the IFAD Loan) to the Borrower in an aggregate principal amount of 7,050,000 DTS, part of which proceeds will assist in financing the Project on the terms and conditions set forth in the IFAD Loan Agreement;

WHEREAS (E) by agreement dated October 16, 1992 (the AfDB Loan Agreement), the African Development Bank (AfDB) has agreed to make a loan (the AfDB Loan) to the Borrower in an aggregate principal amount of 65,600,000 UCB, part of which proceeds will assist in financing the Project on the terms and conditions set forth in the AfDB Loan Agreement;

WHEREAS (F) by agreement dated October 16, 1992 (the FAD Loan Agreement), the African Development Fund (ADF) has agreed to make a loan (the ADF Loan) to the Borrower in an aggregate principal amount of 8,500,000 UCF, part of which proceeds will assist in financing the Project on the terms and conditions set forth in the ADF Loan Agreement; and

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 set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

#### ARTICLE I

##### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Project Agreement" means the agreement between the Association and ANADER of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement;

(b) "ANADER" means the Agence Nationale d'Appui au Developpement Rural established by presidential decree No. 93-777, in date of September 29, 1993 of the Borrower;

(c) "Financing Agreement" means the agreement to be entered into between the Borrower and ANADER pursuant to Section 3.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Financing Agreement;

(d) "CAA" means Caisse Autonome d'Amortissement, a public financial institution of the Borrower;

(e) "CFAF" or "CFA francs" means the currency of the Borrower;

(f) "CIDT" means the Compagnie Ivoirienne pour le Developpement des Textiles, a societe d'economie mixte, operating within the Borrower's territory, created by Decree No. 74-282, in date of June 20, 1974 of the Borrower;

(g) "CIDV" means the Compagnie Ivoirienne pour le Developpement des Cultures Vivrieres, a parastatal agency of the Borrower liquidated by Decree No. 94-67 dated February 23, 1994 of the Borrower;

(h) "FEW" means Field Extension Worker;

(i) "FOS" mans Farmers' Organization Specialist;

(j) "M&E" means Monitoring and Evaluation;

(k) "MEFP" means the Borrower's ministry responsible for economy, finance and planning;

(l) "MESRS" means the Borrower's ministry responsible for higher education and scientific research;

(m) "MINAGRA" means the Borrower's ministry responsible for agriculture and animal resources;

(n) "OP" means Point d'Observation or Observation Point;

(o) "PES" means Point d'Etude Systeme or System Experimental Site;

(p) "SARS" means Systemic Research Adaptation Site;

(q) "SATMACI" means the Societe d'Assistance Technique pour la Modernisation Agricole de la Cote d'Ivoire, a parastatal agency of the Borrower, liquidated by Decree No. 94-68 dated February 23, 1994 of the Borrower;

(r) "SMS" means Subject Matter Specialist;

(s) "T&V" means Training and Visits;

(t) "SODEPRA" means the Societe de Developpement des Productions Animales, a parastatal agency of the Borrower, liquidated by decree No. 94-69 dated February 23, 1994 of the Borrower;

(u) "Special Account" means any of the accounts referred to in Section 2.02 (b) and (c) of this Agreement;

(v) "Project Account" means any of the accounts referred to in Section 3.02; and

(w) "Project Preparation Advance" means the project preparation advances granted by the Association to the Borrower pursuant to an exchange of letters dated April 2, 1992 and August 25, 1992 between the Borrower and the Association.

## ARTICLE II

### The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to fifteen million seven hundred thousand Special Drawing Rights (SDR 15,700,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement 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 out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of Part A of the Project, open and maintain in CFA francs a special deposit account (hereinafter referred to as Special Account A) in CAA on terms and conditions satisfactory to the Association. Deposits into, and payments out of, the Special Account A shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) The Borrower shall, for the purposes of Part B of the Project, open and maintain in CFA francs a special deposit account (hereinafter referred to as Special Account B) in CAA on terms and conditions satisfactory to the Association. Deposits into, and payments out of, the Special Account B shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(d) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be

cancelled.

Section 2.03. The Closing Date shall be June 30, 1997 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty (60) days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on February 1 and August 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each February 1 and August 1 commencing August 1, 2004 and ending February 1, 2034. Each installment to and including the installment payable on February 1, 2014 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years, and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

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. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and to this end: (i) shall carry out Part B of the Project through MINAGRA with due diligence and efficiency and in conformity with appropriate administrative, technical, scientific and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project; and (ii) shall, without any limitation or restriction upon any of its other obligations under this agreement, cause ANADER to perform in accordance with the provisions of the Project Agreement all the obligations of ANADER therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable ANADER to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall make part of the proceeds of the Credit available to ANADER under a financing agreement to be entered into between the Borrower and ANADER, under terms and conditions which shall have been approved by the Association.

(c) The Borrower shall exercise its rights under the Financing Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Financing Agreement or any provision thereof.

(d) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out Part B of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Without limitation upon any of its obligations under Section 3.01 of this Agreement, the Borrower shall:

(a) establish and maintain, for the purposes of Part A of the Project, a Project Account (hereinafter referred to as Project Account A) in CAA on terms and conditions satisfactory to the Association to be used exclusively for the purposes of meeting expenditures incurred under Part A of the Project, which are not externally financed;

(b) establish and maintain, for the purposes of Part B of the Project, a Project Account (hereinafter referred to as Project Account B) in CAA on terms and conditions satisfactory to the Association to be used exclusively for the purposes of meeting expenditures incurred under Part B of the Project, which are not externally financed; and

(c) deposit into each of the Project Accounts, promptly before each fiscal quarter, sufficient funds to pay the Borrower's contribution to the financing of the Project required for such fiscal quarter, as estimated by the Borrower in consultation with the Association.

Section 3.03. The Borrower and the Association hereby agree that the obligations set forth in Section 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively), in respect of Part A of the Project shall be carried out by ANADER pursuant to Section 2.03 of the Project Agreement.

Section 3.04. During the liquidation of SATMACI, CIDV and SODEPRA, the Borrower shall, not later than December 31, 1994 transfer to ANADER the assets of SATMACI, CIDV and SODEPRA necessary for ANADER's operations.

Section 3.05. The Borrower shall be solely responsible for SATMACI, CIDV and SODEPRA's debts and shall dispose of them under its national debt restructuring program.

Section 3.06. The Borrower shall make available to ANADER funds and resources necessary for the payment of salaries of ANADER's staff and ANADER's operating costs

for the Project.

Section 3.07. The Borrower shall, not later than December 31, 1995, revise, as necessary, the applicable regulations relating to agricultural cooperatives operating on the Borrower's territory with a view to facilitate their establishment and operation, and provide, inter alia, for: (i) the holding of mandatory annual meetings; (ii) the conduct of annual verifications of the cooperatives' books and records by independent reviewers and their approval during the cooperatives' annual meetings; (iii) the organization of periodical elections every three years for the selection of the cooperatives' board members; and (iv) the deliberative nature of the decisions, including decisions on economic matters, taken during the annual meetings.

Section 3.08. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for Part B of the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.09. The Borrower shall: (a) by April 30, 1996 carry out jointly with the Association and ANADER a midterm review of the Project which shall cover inter alia the actual setting-up and operations of the new structures;

(b) thereafter carry out such corrective actions as the Borrower and the Association shall determine in accordance with a time schedule satisfactory to the Association; and

(c) in order to facilitate this review, prepare and submit to the Association, not later than four weeks before the scheduled date of this review, a report of Project activities of such scope and in such detail as the Association shall have reasonably requested.

#### ARTICLE IV

##### Financial Covenants

Section 4.01. (a) The Borrower shall maintain, or cause to be maintained, records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of Part B of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account B for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association, as soon as available, but in any case not later than six months after the end of each such year a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records, accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditures, the Borrower shall:

(a) of this (i) maintain, or cause to be maintained, in accordance with paragraph Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was

made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association's representatives to examine such records; and

(iv) ensure that all records and accounts are included in the audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditures submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) ANADER shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of the Development Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that ANADER will be able to perform its obligations under the Project Agreement.

(c) Decree No. 93-777 of the Borrower or ANADER's by-laws shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ANADER to perform any of its obligations under the Project Agreement.

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of ANADER or for the suspension of its operations.

(e) A situation has arisen which shall make it improbable that the Borrower's Agricultural Services Program, or a significant part thereof, will be carried out.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) the event specified in paragraphs (a) and (b) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower; and

(b) the events specified in paragraphs (c) and (d) of Section 5.01 of this Agreement shall occur.

#### ARTICLE VI

##### Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Borrower has opened Project Accounts A and B respectively and has deposited therein the initial deposits in an amount in CFA francs equivalent respectively to one billion five hundred million (1,500,000,000) and sixty million (60,000,000);

(b) the Borrower has submitted detailed closing audit reports on SATMACI, CIDV and SODEPRA's accounts and operations as of March 31, 1994, satisfactory to the Association;

(c) the Borrower has submitted ANADER's opening balance sheet after its review and approval by MEFP;

(d) ANADER's Manual for Human Resources Management Procedures has been completed in a form and substance satisfactory to the Association;

(e) ANADER and MINAGRA Regional Offices' selected Project staff have been employed and all other staff of CIDV, SATMACI and SODEPRA have been either reassigned or dismissed;

(f) the Financing Agreement has been executed on behalf of the Borrower and ANADER;

(g) the Borrower has submitted a detailed work program, including the training program, for the first year of Project implementation satisfactory to the Association; and

(h) the Borrower has submitted drafts of bidding documents for the procurement of vehicles, goods and equipment and the selection of consultants satisfactory to the Association.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

(a) that the Project Agreement has been duly authorized or executed by ANADER, and is legally binding upon ANADER in accordance with its terms; and

(b) that the Financing Agreement has been duly authorized or executed by the Borrower and ANADER and is legally binding upon the Borrower and ANADER in accordance with its terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

#### ARTICLE VII

##### Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower at the time responsible for economy, finance and planning is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Economy, Finance and Planning  
B.P. V 125  
Abidjan  
Republic of Cote d'Ivoire

Cable address:

MINFIN  
Abidjan

Telex:

23747 MINFIN

For the Association:

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

Cable address:

Telex:



INDEVAS  
Washington, D.C.

197688 (TRT),  
248423 (RCA),  
64145 (WUI) or  
82987 (FTCC)

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

REPUBLIC OF COTE D'IVOIRE

By /s/ Moise Koumoue Koffi

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President  
Africa

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 expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Vehicles:		100%
(a) under Part A of the Project; and	2,600,000	
(b) under Part B of the Project	1,700,000	100%
(2) Equipment, furniture and computer units:		
(a) under Part A of the Project; and	720,000	100%
(b) under Part B of the Project	720,000	100%

(3) Consultants' services under Part A of the Project	300,000	100%
(4) Training under Part A of the Project	950,000	100%
(5) Operating costs:		
(a) under Part A of the Project; and	4,200,000	70%
(b) under Part B of the Project	360,000	40%
(6) Studies under Part B of the Project	1,450,000	100%
(7) Refunding of Project Preparation Advance	1,450,000	Amount due pursuant to Section 2.02 (d) of this Agreement
(8) Unallocated	1,250,000	
	<hr/>	
TOTAL	15,700,000	=====

2. For the purposes of this Schedule, the term "operating costs" means the Project related costs incurred for incremental travel allowances, vehicle and equipment maintenance and operation, office supplies, and offices maintenance and rehabilitation.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for such expenditures for goods and services under contracts not exceeding \$20,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower.

## SCHEDULE 2

### Description of the Project

The objectives of the Project are to: (i) streamline and decentralize the organization of agricultural services; (ii) enhance the role of MINAGRA, and particularly of MINAGRA's Regional Directorates, in policy making and supervision of agricultural development; and (iii) increase farmers' participation in the policy making process in the agricultural sector.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Support to ANADER

1. The strengthening of agricultural extension services through the organization of their management at both national and regional levels and the adaptation and implementation of training and visits techniques.
2. The reinforcement of the interaction between research and extension activities through the elaboration of an adaptive research program, including OPs, PESSs, SARs and on farm trials, geared towards the intensification and diversification of existing cultural practices.
3. The strengthening of farmers' organizations through the training and deployment in the field of FOSs.
4. The carrying out of regular skill upgrading training programs for ANADER'S staff.
5. The acquisition of vehicles, motorcycles, computer units, office furniture and equipment.

Part B: Institutional Strengthening

1. MINAGRA

The strengthening of MINAGRA through the streamlining of its planning directorate, directorate responsible for mutualist and cooperative institutions (Direction de la Mutualite, de la Cooperation et de l'Animation Rurale) and regional departments' activities and the acquisition of vehicles, motorcycles, computers, office furniture and equipment.

2. MESRS

The strengthening of MESRS' Division for Adaptive Research through the acquisition of vehicles, computers, office furniture and equipment.

3. MEFP

The strengthening of MEFP's Directorate responsible for parastatals regulation through the acquisition of vehicles, computers, office furniture and equipment.

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The Project is expected to be completed by December 31, 1996.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods

Part 1: International Competitive Bidding

1. Except as provided in Part 2 hereof, goods for Part B of the Project shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 (the Guidelines).

(a) For fixed price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Association, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

(b) In the procurement of goods in accordance with this Part 1, the Borrower shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Association shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued

by the Bank, the Borrower shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

2. To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost the equivalent of \$250,000 or more each.

Part 2: Other Procurement Procedures

1. Goods estimated to cost the equivalent of \$250,000 or less per contract, up to an aggregate amount not to exceed the equivalent of \$500,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Items, or groups of items, of goods estimated to cost the equivalent of \$50,000 or less per contract, up to an aggregate amount not to exceed the equivalent of \$200,000, may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

Part 3: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract for goods estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account B, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account B in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account B, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

1. In order to assist the Borrower in carrying out Part B of the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines). For complex, time-based assignments, the Borrower shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, the Borrower shall use other standard forms agreed with the Association.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Association review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of

consulting firms estimated to cost less than \$100,000 equivalent each, or (b) contracts for the employment of individuals estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Association review shall not apply to: (a) the terms of reference for such contracts, (b) single-source selection of consulting firms, (c) assignments of a critical nature, as reasonably determined by the Association, (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above, or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

#### SCHEDULE 4

##### Implementation Schedule

MINAGRA shall be responsible for the overall coordination, monitoring and supervision of activities under Part B of the Project.

#### 1. MINAGRA

##### (a) At the National Level:

(i) The Division responsible for Planning and Budgeting within MINAGRA's Planning Directorate shall be responsible for: (A) the formulation of the Borrower's agricultural development policy, (B) the preparation of policy implementation programs, annual investment budgets, terms of reference for studies, and (C) the establishment of modalities for appropriate use and distribution of study results.

(ii) MINAGRA's Division responsible for Statistics within the Planning Directorate shall take all necessary actions and measures to produce reliable agricultural statistics on a regular basis, and shall exchange, on a systematic basis, all relevant information with ANADER's Monitoring and Evaluation unit as referred to in Schedule 2 to the Project Agreement.

(iii) MINAGRA's Directorate responsible for mutualist and cooperative institutions shall establish policies regarding farmers associations and cooperatives, issue and circulate regulations regarding their establishment and operations, and oversee the implementation of these regulations. This Directorate shall jointly conduct, with CIDT and ANADER, by December 31, 1995, a study to assess the feasibility for CIDT to engage exclusively in the purchase of cotton-seed, the processing of cotton-seed and the marketing of cotton-fiber.

(iv) MINAGRA shall be responsible for monitoring the implementation of Part B of the Project. MINAGRA will communicate to the Association, before October 31 of each year, the program of operations and a detailed annual training program for Part B of the Project for the following year. In collaboration with ANADER, MINAGRA will prepare semiannual progress reports, to be submitted to the Borrower and the Association, on Project's implementation and the Project Completion Report within six months following Project's completion.

##### (b) At the Regional Level:

(i) MINAGRA's regional directorates shall mainly work on: (A) the development of regional agricultural policies, (B) the monitoring and evaluation of policy implementation, (C) the enforcement of regulations, and (D) the collection and processing of statistics.

(ii) Each regional directorate shall be composed of the five following services: Programming, M & E and Statistics; Administration and Finance; Natural Resources; Pest Seeds and Veterinary Control; and the Service for Monitoring of the Cooperative Movement.

(iii) Each regional directorate shall be represented at the departmental level by a departmental director.

2. MEFP

MEFP's Sub-Directorate for Management Control within the Directorate responsible for parastatals regulation shall be responsible for the annual auditing by qualified independent audit firms of each of the Project's implementation units. This Sub-Directorate shall secure a timely transmission of the audit reports to the Association and supervise the implementation of the audit reports' recommendations by each of the Project's implementing units.

3. MESRS

MESRS' Division responsible for Adaptive Research shall coordinate scientific research activities.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1)(a), (2)(a), (3), (4) and (5)(a) set forth in the table in paragraph 1 of Schedule 1 to this Agreement with respect to Special Account A and Categories (1)(b), (2)(b), (5)(b) and (6) set forth in the table in paragraph 1 of Schedule 1 to this Agreement with respect to the Special Account B;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means: (i) an amount of CFAF 300,000,000 to be withdrawn from the Credit Account and deposited into Special Account A; and (ii) an amount of CFAF 150,000,000 to be withdrawn from the Credit Account and deposited into Special Account B all pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to, or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall

have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

