

CONFORMED COPY

CREDIT NUMBER 3117 IVC

Development Credit Agreement

(Second National Agricultural Services Support Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 18, 1998

CREDIT NUMBER 3717 IVC

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated September 18, 1998, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Association has received a letter dated June 9, 1998, from the Borrower describing a program of actions, objectives and policies designed to promote sustainable agricultural growth through technological changes and institutional reforms (the Program) and declaring the Borrower's commitment to the execution of the Program;

(B) the Borrower has requested that the Association support its execution of the Program through a series of credits over a period of approximately eleven years to be utilized by the Borrower for implementing the Program;

(C) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, which Project forms the first phase of the Program, has requested the Association to assist in the financing of the Project;

(D) Part A of the Project will be carried out by Agence Nationale d'Appui au Développement 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;

(E) Part B of the Project will be carried out by the Centre National de Recherche Agronomique (CNRA) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to CNRA part of the proceeds of the Credit as provided in this Agreement;

(F) the Borrower has contracted from the International Fund for Agricultural Development (IFAD) a loan (the IFAD Loan) in an amount of seven million fifty thousand Special Drawing Rights (SDR 7,050,000) to assist in financing part of the Project on the terms and conditions set forth in an agreement (the IFAD Loan Agreement) dated January 13, 1994, between the Borrower and IFAD;

(G) the Borrower intends to contract from the European Union (EU) a grant (the EU Grant) in an amount equivalent to five million two hundred thousand dollars (\$5,200,000) to assist in financing Part C.2 of the Project on terms and conditions set forth in an agreement (the EU Grant Agreement) to be entered into between the Borrower and EU;

(H) the Borrower has contracted from the French Republic through its Fonds d'Aide et de Coopération (FAC) a grant (the FAC Grant) in an amount of fifteen million French Francs (FF15,000,000) to assist in financing Part B of the Project on the terms and conditions set forth in an agreement (the FAC Grant Agreement) dated October 29, 1997, between the Borrower and the French Republic; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower in support of the first phase of the Program 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, as amended through December 2, 1997, with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) A new paragraph (12) is added to Section 2.01 to read as set forth below, and the existing paragraphs (12) through (14) of said Section are accordingly renumbered as paragraphs (13) through (15): "12. 'Participating Country' means any country that the Association determines meets the requirements set forth in Section 10 of Resolution No. 183 of the Board of Governors of the Association, adopted on June 26, 1996; and 'Participating Countries' means, collectively, all such countries."

(b) The second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a Participating Country or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Association, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations."

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) "ANADER" means the Agence Nationale d'Appui au Développement Rural established by the Borrower's presidential decree No. 93-777, dated September 29, 1993, amended by the Borrower's presidential decree No. 98-158, dated April 2, 1998, a Société Anonyme with a minority financial participation of the Borrower operating pursuant to its Statuts dated April 17, 1998;

(b) "ANADER 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 ANADER Project Agreement;

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

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

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

(f) "CNRA" means the Centre National de Recherche Agronomique established as a Société Anonyme with a minority financial participation of the Borrower, and operating pursuant to its Statuts dated April 22, 1998;

(g) "CNRA Project Agreement" means the agreement between the Association and CNRA 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 CNRA Project Agreement;

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

(i) "Commission" means the ad'hoc Commission established by the Borrower's Interministerial Arrêté No. 969/MEF/MINAGRA/MESRIT dated May 12, 1998, in charge of studying ways and means for an autonomous and sustainable financing of ANADER and CNRA;

(j) "CTRs" means Comités Techniques Régionaux, or regional technical committees including all regional agricultural partners in the public and private sectors and a majority of farmers' representatives;

(k) "Manual of Procedures" means the manual adopted pursuant to Section 6.01 (e) of this Agreement, outlining policies, procedures and guidelines to be followed in the implementation of the Project;

(l) "MESRIT" means Ministère de l'Enseignement Supérieur, de la Recherche et de l'Innovation Technologique, the Borrower's ministry responsible for higher education and scientific research;

(m) "MINAGRA" means Ministère de l'Agriculture et des Ressources Animales, the Borrower's ministry responsible for agriculture;

(n) "MINICOM" means Ministère de la Communication, the Borrower's Ministry responsible for communication and media;

(o) "OPAs" means Organisations Professionnelles Agricoles which are cooperatives, unions of cooperatives and federations of cooperatives governed by the Borrower's Law No. 97-721, dated December 23, 1997, relative aux Coopératives;

(p) "Project Account" means any of the accounts referred to in Section 3.02 of this Agreement;

(q) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated January 30, 1998, and February 11, 1998, between the Borrower and the Association; and

(r) "Special Account" means any of the accounts referred to in Section 2.02(b) of this Agreement.

## 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 thirty-seven million one hundred thousand Special Drawing Rights (SDR 37,100,000).

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 may: (i) for the purposes of Parts A and B of the Project, open and maintain in CFA Francs two special deposit accounts (the ANADER Special Account for the purposes of Part A of the Project and the CNRA Special Account for the purposes of Part B of the Project) in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment; and (ii) for the purposes of Parts C and D of the Project, open and maintain in CFA Francs two special deposit accounts (the MINAGRA Special Account for the purposes of Part C of the Project and the MINICOM Special Account for the purposes of Part D of the Project) in CAA on terms and conditions satisfactory to the Association. Deposits into, and payments out of, each respective Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) 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 canceled.

Section 2.03. The Closing Date shall be December 31, 2001, 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 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 canceled; 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 June 15 and December 15 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 15 and December 15 commencing December 15, 2008, and ending June 15, 2038. Each installment to and including the installment payable on December 15, 2018 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 per capita gross national product (GNP), as

determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources, 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 repayment of installments under paragraph (a) above by: (A) 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; and (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above 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.

(d) 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 C of the Project through MINAGRA and Part D of the Project through MINICOM, 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 cause ANADER and CNRA to perform in accordance with the provisions of the ANADER Project Agreement and the CNRA Project Agreement, respectively, all the obligations of ANADER and CNRA 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 and CNRA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) 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 Parts C and D of the Project and cause ANADER and CNRA to carry out Parts A and B, respectively, in accordance with the Implementation Program set forth in Schedule 4 to this Agreement and Schedule 2 to the ANADER Project Agreement and the CNRA Project Agreement.

(c) The Borrower shall: (i) make the proceeds of the Credit allocated from time to time to Categories (1)(a), (2)(a), (3)(a) and (4)(a) of the table set forth in paragraph 1 of Schedule 1 to this Agreement available to ANADER on a non-reimbursable basis under a subsidiary agreement to be entered into between the Borrower and ANADER; and (ii) make the proceeds of the Credit allocated from time to time to Categories (1)(b), (2)(b), (3)(b) and (4)(b) of the table set forth in paragraph 1 of Schedule 1 to this Agreement available to CNRA on a non-reimbursable basis under a subsidiary agreement to be entered into between the Borrower and CNRA; such agreements to have terms and conditions which shall have been approved by the Association.

(d) The Borrower shall exercise its rights under the ANADER Subsidiary Agreement and the CNRA Subsidiary 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 ANADER Subsidiary Agreement and the CNRA Subsidiary Agreement, or any provision thereof.

Section 3.02. Without any limitation upon the provisions of paragraph (a) of Section 3.01 of this Agreement, the Borrower shall, for the purposes of making available its counterpart contribution for the financing of the Project:

(a) open and thereafter maintain in CFAF in CAA, an account for Part A of the Project (the ANADER Project Account), an account for Part B of the Project (the CNRA Project Account), an account for Part C of the Project (the MINAGRA Project Account) and an account for Part D of the Project (the MINICOM Project Account), all on terms and conditions satisfactory to the Association;

(b) deposit an initial contribution of: (i) CFAF one billion five hundred million (CFAF 1,500,000,000) into the ANADER Project Account; (ii) CFAF seven hundred million (CFAF 700,000,000) into the CNRA Project Account; (iii) CFAF one hundred forty million (CFAF 140,000,000) into the MINAGRA Project Account; and (iv) CFAF forty million (CFAF 40,000,000) into the MINICOM Project Account;

(c) thereafter, deposit into any of said Accounts such amounts as shall be required to replenish each of the Project Accounts in a timely manner back to the level of the initial deposits referred to in paragraph (b) above; and

(d) ensure that the amounts deposited into each of said Accounts shall be used exclusively for payments made or to be made in respect of the reasonable cost of goods and services for the Project not otherwise financed by the Credit.

Section 3.03. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for 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 and Schedule 1 to the ANADER Project Agreement and the CNRA Project Agreement.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

Section 3.05. The Borrower and the Association hereby agree that the obligations set forth in Sections 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 Parts A and B of the Project shall be carried out by ANADER and CNRA pursuant to Section 2.03 of the ANADER Project Agreement and the CNRA Project Agreement.

#### 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 Parts C and D of the Project of the departments or agencies of the Borrower responsible for carrying out said Parts of 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 Accounts C and D 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, 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 and 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 expenditure, the Borrower shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this 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 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 such records and accounts are included in the annual 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 expenditure 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 (1) of the General Conditions, the following additional events are specified:

(a) a situation shall have arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out;

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

(c) CNRA shall have failed to perform any of its obligations under the CNRA Project Agreement;

(d) 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 or CNRA will be able to perform their respective obligations under the ANADER Project Agreement and the CNRA Project Agreement;

(e) ANADER's Statuts referred to in Section 1.02 (a) of this Agreement shall have been amended, suspended, or waived so as to affect materially and adversely the ability of ANADER to perform any of its obligations under the ANADER Project Agreement;

(f) CNRA's Statuts referred to in Section 1.02 (f) of this Agreement shall have been amended, suspended, or waived so as to affect materially and adversely the ability of CNRA to perform any of its obligations under the CNRA Project Agreement;

and

- (g) (i) Subject to subparagraph (ii) of this paragraph:
- (A) the right of the Borrower to withdraw the proceeds of the IFAD Loan, the EU grant, the FAC Grant, or any grant or loan made to the Borrower for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or
- (B) any such loan shall have become due and payable prior to the maturity thereof.
- (ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that:
- (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and
- (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

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

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

(b) the events specified in paragraphs (e) and (f) of Section 5.01 of this Agreement shall occur; and

(c) the event specified in paragraph (g) (i) (B) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (g) (ii) of that Section.

## 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 ANADER Subsidiary Agreement and the CNRA Subsidiary Agreement have been executed on behalf of the Borrower and ANADER, and the Borrower and CNRA, respectively;

(b) CNRA's human resources have been streamlined, in a manner satisfactory to the Association;

(c) CNRA's opening balance sheet (bilan d'ouverture), audited by independent auditors acceptable to the Association, has been received and found satisfactory by the Association;

(d) the Borrower has submitted to the Association an action plan, satisfactory to the Association, for the financial rehabilitation of the OPAs;

(e) the Borrower has adopted the Manual of Procedures in form and substance acceptable to the Association;

(f) the Borrower, ANADER and CNRA have employed the independent auditors referred to, respectively, in Section 4.01 (b) of this Agreement, the ANADER Project Agreement and the CNRA Project Agreement, in accordance with the provisions of Section II of Schedule 3 to this Agreement and of Schedule 1 to the ANADER Project Agreement and the CNRA Project Agreement;



(g) the Borrower, ANADER and CNRA have each established an adequate financial management system including accounting procedures, satisfactory to the Association, to ensure proper monitoring of Project activities;

(h) the Project Accounts have been opened and the initial contributions of CFAF 1,500,000,000, CFAF 700,000,000, CFAF 140,000,000 and CFAF 40,000,000, respectively, referred to in Section 3.02 (b) of this Agreement have been deposited into such Accounts; and

(i) the work programs for the Project and the corresponding budgets, referred to in Section 3 of Schedule 4 to this Agreement and Section 2 of Schedule 2 to the ANADER Project Agreement and the CNRA Project Agreement, for the calendar year 1998, have been received and found satisfactory by 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 ANADER Project Agreement has been duly authorized or ratified by ANADER, and is legally binding upon ANADER in accordance with its terms;

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

(c) that the ANADER Subsidiary Agreement has been duly authorized or ratified by the Borrower and ANADER, and is legally binding upon the Borrower and ANADER in accordance with its terms; and

(d) that the CNRA Subsidiary Agreement has been duly authorized or ratified by the Borrower and CNRA, and is legally binding upon the Borrower and CNRA 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 VIII

##### Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for finance 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 and Finance  
B. P. V 125  
Abidjan  
Republic of Côte 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.

248423 (MCI) or  
64145 (MCI)

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/ Moïse Koumoué Koffi

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo

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) Works:		80%
(a) for Part A of the Project	2,300,000	
(b) for Part B of the Project	3,900,000	
(c) for Part C of the Project	800,000	
(d) for Part D of the Project	200,000	
(2) Vehicles and equipment: expenditures		100% of foreign and 65% of local
(a) for Part A of the Project	6,400,000	
(b) for Part B of the Project	6,200,000	
(c) for Part C of the Project	900,000	
(d) for Part D of the Project	500,000	
(3) Consultants' services expenditures and training: expenditures		100% of foreign and 80% of local

(a) for Part A of the Project	6,000,000	
(b) for Part B of the Project	900,000	
(c) for Part C of the Project	1,900,000	
(d) for Part D of the Project	200,000	
(4) Operating costs:		40%
(a) for Part A of the Project	900,000	
(b) for Part B of the Project	300,000	
(c) for Part C of the Project	1,200,000	
(d) for Part D of the Project	500,000	
(5) Refunding of Project Preparation Advance	400,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(6) Unallocated	3,600,000	
TOTAL	37,100,000	
	=====	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; provided, however, that if the currency of the Borrower is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "operating costs" means incremental expenditures incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation, travel and supervision costs.

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 expenditures (a) under contracts for goods, civil works and training costing less than \$100,000 equivalent each, (b) under contracts for the employment of consulting firms costing less than \$100,000 equivalent each, (c) under contracts for the employment of individual consultants costing less than \$50,000 equivalent each, and (d) for operating costs, all 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: (a) to improve the effectiveness and cost efficiency of agricultural research and extension services with a view to achieving, on a long term basis, sustainable growth in agriculture, and (b) to foster the development of efficient agricultural research and extension services.

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. Strengthening of ANADER in order to make it a fully autonomous privately managed agency, with financial and human resources management decentralized at the regional level, through the construction/rehabilitation of infrastructure, the acquisition of equipment, the carrying out of a training program and the provision of technical advisory services.
2. Strengthening of agricultural extension services with a focus on women farmers' needs, integrated pest management and sustainable soils management, through a participatory diagnosis approach, on-the-job training of staff at the administrative and technical levels, the provision of technical advisory services and the acquisition of equipment.
3. Strengthening of ANADER's adaptive research program to reinforce interaction between farmers, researchers and extensionists, with a focus on women farmers' needs, integrated pest management and sustainable soils management, through the improvement of the technical capacity of CTRs and on-farm research, the provision of technical advisory services and the acquisition of equipment.
4. Improving the capacity of ANADER to assist the OPAs in increasing their efficiency and access to market with a focus on cooperatives operating in an increasingly liberalized environment, through the provision of technical advisory services, study tours, the acquisition of equipment and the carrying out of a training program.

Part B: Support to CNRA

1. Strengthening the institutional, financial and human resources capacities of CNRA aimed at making it a fully autonomous privately managed agency, decentralized at the regional level, through the construction/rehabilitation of infrastructure, the acquisition of equipment, the carrying out of a training program and the provision of technical advisory services.
2. The carrying out of CNRA's research programs focusing on women's and young farmers' needs, related to food crops, livestock, fisheries farming, integrated pest management and sustainable soils management, through the acquisition of equipment, staff training and the provision of technical advisory services.
3. Fostering the coordination of CNRA's activities between the research institutes in the territory of the Borrower and other regional and international research institutes, through the participation at scientific seminars, study tours and the implementation of scientific information systems and an intelligence survey system, the provision of technical advisory services, the carrying out of a training program and the acquisition of computer equipment.
4. Improving the capacity of MESRIT's Research Directorate to assist CNRA in the selection of priority research programs and activities consistent with those undertaken by other research institutes in the territory of the Borrower, through the acquisition of equipment, staff training and the provision of technical advisory services.

Part C: MINAGRA

1. Carrying out of a test of MINAGRA's Directorate of Planning decentralization strategy activities in three pilot regions (Bouaké, San Pedro and Korhogo), and setting up a matrix network of the analyses of the Borrower's agricultural policies, through staff training, the provision of technical advisory services and the acquisition of equipment.
2. The preparation and the carrying out of a national agricultural census and strengthening the capacity of MINAGRA's Directorate of Statistics, Documentation and Computer Services to produce reliable and regular statistics on agriculture, through staff training, the provision of technical advisory services and the acquisition of equipment.

3. Strengthening animal genetic improvement, through institutional capacity building to the relevant OPAs, staff training, the provision of technical advisory services and the acquisition of equipment. 4. Strengthening the enforcement capacity of MINAGRA's Directorate of OPAs and Rural Credit to recommend and enforce cooperative regulations, through staff training, the provision of technical advisory services and the acquisition of equipment.

Part D: Support to the Rural Radio Stations

Establishing a support network to disseminate information concerning rural development, including technical, economic and environmental information as to agricultural production, and social and cultural information, through the establishment and operation of seven rural radio stations, the provision of technical advisory services, the carrying out of training program and the acquisition of equipment.

\* \* \*

The Project is expected to be completed by July 31, 2001.

### SCHEDULE 3

#### Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

1. Goods and works shall be procured in accordance with (a) the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 and September 1997, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Guidelines), and (b) the provisions of the following Parts of this Section I.

2. In paragraphs 1.6 and 1.8 of the Guidelines, the references to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country".

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$200,000 equivalent or more each.

(b) Preference for domestically manufactured goods

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Works estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$1,680,000 equivalent for Part C of the Project and \$410,000 equivalent for Part D of the Project, and

(b) goods estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$330,000 equivalent for Part C of the Project and \$280,000 equivalent for Part D of the Project, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

## 2. National Shopping

Goods estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$290,000 equivalent for Part C of the Project and \$210,000 equivalent for Part D of the Project, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

## 3. Procurement from UN Agencies

Vehicles, computers and other office equipment related to Parts C and D of the Project may be procured from the Inter-Agency Procurement Services Office of the United Nations (IAPSO) in accordance with the provisions of paragraph 3.9 of the Guidelines and as specified in the Manual of Procedures.

Part D: Review by the Association of Procurement Decisions

### 1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for Parts C and D of the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

### 2. Prior Review

With respect to each contract for works and goods estimated to cost the equivalent of \$100,000 or more, and the first three contracts for goods estimated to cost less than \$100,000 equivalent each for Part C and Part D respectively, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

### 3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

## Section II. Employment of Consultants

Part A: General

1. Consultants' services shall be procured in accordance with (a) the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Consultant Guidelines), and (b) the provisions of the following Parts of this Section II.

2. In paragraph 1.10 of the Consultant Guidelines, the references to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country"

Part B: Quality- and Cost-based Selection

Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

Part C: Other Procedures for the Selection of Consultants

1. Single Source Selection

Services for specialized studies and training under Parts C and D of the Project, estimated to cost less than \$100,000 equivalent per contract for consulting firms and less than \$50,000 equivalent per contract for individual consultants, may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

2. Individual Consultants

Services under Parts C and D of the Project for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines may, with the Association's prior agreement, be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Association of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under Parts C and D of the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$200,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, but less than the equivalent of \$200,000, the procedures set forth in paragraphs 1, 2 (other than the second subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more and each contract procured through single source selection in accordance with the provisions of Part C.1 of this Section, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Association for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. For the purposes of carrying out Parts C and D of the Project, the Borrower shall apply the policies, procedures and arrangements specified in the Manual of Procedures and, except as otherwise agreed with the Association, shall not amend or waive, or permit to be amended or waived, the Manual of Procedures in a manner which, in the opinion of the Association, would materially affect the implementation of Parts C and D of the Project.

2. The Borrower's Prime Minister's Office shall provide overall supervision of Project activities, including guidance on policy and institutional issues affecting the execution of the Project.

3. Not later than October 31 of each year, the Borrower shall furnish to the Association, for its review and approval, draft detailed work programs and budgets in respect of Project activities for Parts C and D of the Project for the forthcoming calendar year,

4. The Borrower shall ensure that, not later than December 31, 1999: (a) the rural radio stations included under Part D of the Project are established as autonomous legal entities with a majority participation of representatives of the localities concerned and with representatives from local administrations and structures supporting rural development; and (b) said entities establish an autonomous national coordinating structure in form and substance acceptable to the Association. The Borrower shall also cause radio personnel and equipment and physical installations to be transferred, upon completion of works, to said rural radio entities which shall thereafter be responsible, with the assistance of MINICOM, for the management of personnel and the operation and maintenance of equipment and physical installations, in accordance with terms and conditions satisfactory to the Association.

5. Not later than December 31, 1999, the Borrower shall complete the plan for the financial rehabilitation of the OPAs referred to in Section 6.01(d) of this Agreement, and provide to the Association, for its review and approval, a completion report relating thereto.

6. The Borrower shall: (a) not later than October 31, 1998, furnish to the Association, for its review and comments, the results of the studies of the Commission; and (b) not later than January 1, 1999, implement the recommendations made by the Commission.

7. The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Association, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about March 31 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of Parts C and D of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review jointly with the Association, ANADER and CNRA, by May 31 of each year, or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

8. Not later than July 31, 2001, or six months before the Closing Date, the Borrower shall carry out, jointly with the Association, ANADER and CNRA, a comprehensive review to assess the progress achieved in the execution of the Project. Said review shall cover, inter alia, the following in order to determine:

(a) Whether the overall performance of ANADER and CNRA is satisfactory to the Borrower and the Association, whether ANADER and CNRA operate as autonomous private sector entities and whether the technical links between ANADER and CNRA are efficient.

(b) Whether ANADER's and CNRA's entire staff have no longer the status of civil servants.

(c) Whether ANADER has streamlined its human resources in accordance with the



objectives of the Program.

(d) Whether ANADER's and CNRA's programs of activities are relevant to their clients, including target groups with low income.

(e) Whether CNRA's activities concerning research and production/marketing are clearly separated in terms of management and financial arrangements.

(f) Whether the provisions of Section 4 of this Schedule have been complied with. In order to facilitate said comprehensive review, the Borrower shall prepare a report under terms of reference satisfactory to the Association, in such scope and detail as the Association shall reasonably request, and furnish said report to the Association not later than six weeks prior to said review.

#### SCHEDULE 5

##### Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means: (i) in the case of the ANADER Special Account, Categories (1)(a), (2)(a), (3)(a) and (4)(a) set forth in the table in paragraph 1 of Schedule 1 to this Agreement in respect of Part A of the Project; (ii) in the case of the CNRA Special Account, Categories (1)(b), (2)(b), (3)(b) and (4)(b) set forth in the said table in respect of Part B of the Project; (iii) in the case of the MINAGRA Special Account, Categories (1)(c), (2)(c), (3)(c) and (4)(c) set forth in the said table in respect of Part C of the Project; and (iv) in the case of the MINICOM Special Account, Categories (1)(d), (2)(d), (3)(d) and (4)(d) set forth in the said table in respect of Part D of the Project;

(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 an amount to be withdrawn from the Credit Account and deposited into each Special Account pursuant to paragraph 3(a) of this Schedule, equivalent, in the case of the ANADER Special Account to CFAF 600,000,000, in the case of the CNRA Special Account to CFAF 400,000,000, in the case of the MINAGRA Special Account to CFAF 180,000,000, and in the case of the MINICOM Special Account to CFAF 60,000,000, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation for:

(i) the ANADER Special Account, shall be limited to an amount equivalent to CFAF 300,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions for Part A of the Project shall be equal to or exceed the equivalent of SDR 7,800,000;

(ii) the CNRA Special Account, shall be limited to an amount equivalent to CFAF 200,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions for Part B of the Project shall be equal to or exceed the equivalent of SDR 5,600,000;

(iii) the MINAGRA Special Account, shall be limited to an amount equivalent to CFAF 90,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions for Part C of the Project shall be equal to or exceed the equivalent of SDR 2,400,000; and

(iv) the MINICOM Special Account, shall be limited to an amount equivalent to CFAF 30,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding

special commitments entered into by \_\_\_\_\_ the Association pursuant to Section 5.02 of the General Conditions for Part D \_\_\_\_\_ of the Project shall be equal to or exceed the equivalent of SDR 700,000.

2. Payments out of the respective Special Accounts 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 respective Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the respective 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 deposit into the respective Special Account of an amount or amounts 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 respective Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the respective Special Account, the Borrower shall furnish to the Association requests for deposits into the respective 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 respective 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 respective 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 respective 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 any 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;

(b) if the Borrower, ANADER or CNRA, shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b)(ii) of this Agreement, the ANADER Project Agreement and the CNRA Project Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of the records and accounts for the respective Special Account;

(c) if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories for the respective Special Account, minus the total amount of all outstanding special commitments 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 respective 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 any 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 respective 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 any 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 any 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 Accounts.

(d) Refunds to the Association made pursuant to paragraph 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.

