

No. 11157

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
GHANA**

**Development Credit Agreement—*Eastern Region Cocoa Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 26 June 1970**

*Authentic text: English.*

*Registered by the International Development Association on 11 June 1971.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
GHANA**

**Contrat de crédit de développement — *Projet relatif à la production du cacao dans la région orientale* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 26 juin 1970**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 11 juin 1971.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

AGREEMENT, dated June 26, 1970, between REPUBLIC OF GHANA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

### *Article I*

#### GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to this Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,<sup>2</sup> with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Development Credit Agreements of the Association being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Development Credit Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) "ADB" means the Agricultural Development Bank, established by the Agricultural Development Bank Act;

(b) "Agricultural Development Bank Act" means the Agricultural Credit and Co-operative Bank Act, 1965 (Act 286), as amended by the Agricultural Credit and Co-operative Bank Act, 1965 (Amendment) Decree, 1967 (N.L.C.D. 182), dated June 22, 1967;

(c) "Subsidiary Loan Agreement" means the agreement referred to in Section 4.04. (a) of this Development Credit Agreement to be entered into between the Borrower and ADB, as the same may be amended from time to time by agreement between the Borrower and ADB, with the approval of the Association;

(d) "Project Development Unit" means the unit within the Ministry of Agriculture of the Borrower referred to in Section 4.02 (a) of this Agreement;

(e) "GCMA" means the Ghana Cooperative Marketing Association;

<sup>1</sup> Came into force on 12 March 1971, upon notification by the Association to the Government of Ghana.

<sup>2</sup> See p. 104 of this volume.

(f) “GCMA Guarantee Agreement” means the agreement to be entered into between GCMA and ADB on terms and conditions satisfactory to the Association whereby GCMA will guarantee payment to ADB of amounts due on sub-loans made by ADB pursuant to the provisions of the Subsidiary Loan Agreement;

(g) “Registrar” means the Registrar of the Department of Cooperatives in the Ministry of Labor and Social Welfare of the Borrower; and

(h) “cooperative” means a primary cooperative society organized under the Co-operative Societies Decree, 1968 (N.L.C.D. 252), as amended.

## Article II

### THE CREDIT

*Section 2.01.* The Association agrees to lend to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to eight million five hundred thousand dollars (\$8,500,000).

*Section 2.02.* (a) The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Account the amount of the Credit.

(b) The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Association.

*Section 2.03.* Except as the Association shall otherwise agree, the Borrower shall be entitled to withdraw from the Credit Account in respect of the reasonable cost of goods or services required for the Project and to be financed under this Development Credit Agreement;

(i) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for goods or services included in Categories I, II and III of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement; and

- (ii) the equivalent of eighty-two per cent (82%) of such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) (A) for goods or services included in Category IV of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement and (B) in respect of sub-loans included in Category V of such allocation of the proceeds of the Credit;

provided, however, that if there shall be an increase in the estimate of such payments for goods or services included in Category IV or in respect of sub-loans included in Category V, the Association may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amount of the Credit then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for items included in such Category.

*Section 2.04.* Except as the Association shall otherwise agree, no withdrawals from the Credit Account shall be made under Categories I, II or III of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement on account of payments in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower.

*Section 2.05.* The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

*Section 2.06.* The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

*Section 2.07.* Service charges shall be payable semi-annually on June 15 and December 15 in each year.

*Section 2.08.* The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 15 and December 15 commencing December 15, 1980 and ending June 15, 2020, each installment to and including the installment payable on June 15, 1990 to be one-half of one per cent ( $\frac{1}{2}$  of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ( $1\frac{1}{2}\%$ ) of such principal amount.

### Article III

#### USE OF PROCEEDS OF THE CREDIT

*Section 3.01.* The Borrower shall cause the proceeds of the Credit to be applied in accordance with the provisions of this Development Credit

Agreement to expenditures on the Project, described in Schedule 2 to this Agreement.

*Section 3.02.* Except as the Association shall otherwise agree, the goods to be financed out of the proceeds of (i) the Credit and (ii) sub-loans in respect of which withdrawals from the Credit Account under Section 2.03 (ii) (B) of this Agreement are made shall be procured in accordance with the procedures set forth in Schedule 3 to this Agreement.

*Section 3.03.* Except as the Association may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

#### *Article IV*

##### PARTICULAR COVENANTS

*Section 4.01.* The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, agricultural and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*Section 4.02.* (a) The Borrower shall establish and maintain within its Ministry of Agriculture a unit to be responsible for the execution of the Project. Except as the Association shall otherwise agree, the Borrower shall cause the Project Development Unit (i) to be operated in accordance with the functions and powers, and to be provided with the staff, specified in Schedule 4 to this Agreement, and (ii) to maintain separate and distinct accounts reflecting expenditures on, and the results achieved by, the Project.

(b) Except as the Association shall otherwise agree:

- (i) the persons proposed for appointment to the posts of the Project Manager, the Deputy Project Manager and the Financial Controller of the Project Development Unit, their terms of reference and the terms and conditions of their employment shall, until the completion of the Project, be acceptable to the Association; and
- (ii) the Borrower shall consult the Association about any proposed appointment to the position of Cooperative Officer of the Project Development Unit sufficiently in advance of any such appointment for the Association to have adequate opportunity to comment on the qualifications and experience of the person, or persons, the Borrower is considering for such position and shall make any such appointment only after consideration of the views expressed by the Association.

*Section 4.03.* (a) Without restriction or limitation upon the provisions of Section 4.01 of this Agreement, the Borrower shall establish or cause to be established a bank account (hereinafter called the Project Account) to be used exclusively to make payments for the cost of goods and services required on the part of the Project Development Unit to carry out the Project. The Borrower shall deposit or cause to be deposited in the Project Account all amounts as shall be, from time to time, required on the part of the Project Development Unit to permit the payments heretofore specified to be made, promptly as needed, out of the Project Account.

(b) Without restriction or limitation upon the provisions of paragraph (a) of this Section, the Borrower shall make or cause to be made an initial deposit in the Project Account in the amount of 250,000 New Cedis (NØ250,000) and thereafter shall on a quarterly basis make or cause to be made deposits in the Project Account in such amounts as shall be sufficient to meet payments for the costs of the Project required on the part of the Project Development Unit to cover the forthcoming three months of such costs as estimated by the Project Manager of the Project Development Unit.

*Section 4.04.* (a) The Borrower shall lend to ADB in the currency of the Borrower amounts aggregating up to \$8,500,000 equivalent from the proceeds of the Credit and from other funds available to the Borrower. Such loan by the Borrower to ADB shall take the form of transfers and disbursements by the Project Development Unit to farmers participating in the Project of (i) insecticides, sprayers, fertilizers, cocoa seedlings and other planting materials in kind and (ii) funds for hired labor, such transfers and disbursements being financed for the respective farmer by credit arrangements between the farmer and ADB. Such loan by the Borrower to ADB shall be on terms and conditions, and pursuant to a subsidiary loan agreement, satisfactory to the Association.

(b) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and the Association, and, except as the Association shall otherwise agree, the Borrower shall not take or concur in any action which would have the effect of amending, assigning, abrogating or waiving any provision of the Subsidiary Loan Agreement.

*Section 4.05.* The Borrower shall establish and maintain a Steering Committee, having terms of reference and a membership acceptable to the Association, to coordinate the work of the ministries, agencies and organizations involved in the carrying out of the Project and to oversee the progress of the Project.

*Section 4.06.* The Borrower shall maintain or cause to be maintained records adequate to identify the goods and services financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition with respect to the Project of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof, and shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents.

*Section 4.07.* (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance by the Borrower of its obligations under the Development Credit Agreement, the administration, operations and financial condition with respect to the Project of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof, and other matters relating to the purposes of the Credit.

(b) The Borrower shall furnish or cause to be furnished to the Association all such relevant information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the goods and services financed out of such proceeds, the Project, the administration, operations and financial condition with respect to the Project of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof, and the general status of the Credit. Such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(c) The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service thereof or the performance by the Borrower of its obligations under this Development Credit Agreement.

(d) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

*Section 4.08.* Except as the Association shall otherwise agree, the Borrower shall have the accounts:

- (i) of the Project Development Unit audited annually by an independent accountant or accounting firm acceptable to the Association; and
- (ii) of the cooperatives participating in the Project audited annually by the Registrar;

and shall promptly after audited financial statements (balance sheet and related statement of earnings and expenses) of the Project Development Unit and of such cooperative societies are available, and, except as the Association shall otherwise agree, not later than four months after the close of the financial year to which they apply, transmit to the Association certified copies of such statements and signed copies of the related auditors' reports.

*Section 4.09.* The Borrower undertakes to insure, or cause to be insured, the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

*Section 4.10.* (a) The Borrower shall carry out, prior to the commencement of the execution of the Project, initial Swollen Shoot Virus Disease control measures throughout the Project area and shall thereafter carry out accepted and further measures for the control of Swollen Shoot Virus Disease and provide within the Project area such materials and services as are normally provided by the Cocoa Division of the Borrower without cost to other cocoa farmers in the Borrower's territory.

(b) The Borrower undertakes that the subsidies paid by the Borrower on cocoa production inputs will at all times take into account the need to provide Project participants with a sufficient incentive and the opportunity to earn an adequate return on farm investments to ensure satisfactory loan repayments to ADB. The Association will be informed, and given an opportunity to comment, prior to any changes being made in the existing subsidies on fertilizers, insecticides and sprayers.

*Section 4.11.* Except as the Association shall otherwise agree, the Borrower shall ensure that the Cocoa Marketing Board and GCMA make available to cooperatives in the Project area promptly as needed the financing required by such cooperatives to purchase the cocoa produced by the Project.

*Section 4.12.* The Borrower shall cause the feeder roads included in the Project to be adequately maintained and repaired in accordance with sound engineering practices.



*Section 4.13.* The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

*Section 4.14.* This Development Credit Agreement and the Subsidiary Loan Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

### Article V

#### REMEDIES OF THE ASSOCIATION

*Section 5.01.* If any event specified in Section 7.01 of the General Conditions or in Section 5.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal, together with such charges, shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

*Section 5.02.* For the purposes of Section 7.01 of the General Conditions, the following additional events are specified:

- (a) A default shall occur in the performance of any obligation of the Borrower or of ADB under the Subsidiary Loan Agreement, and such default shall continue for a period of 60 days after notice thereof shall have been given by the Association to the Borrower.
- (b) A default shall occur in the performance of any obligation of GCMA under the GCMA Guarantee Agreement, and such default shall continue for a period of 60 days after notice thereof shall have been given by the Association to the Borrower.
- (c) Before the Subsidiary Loan Agreement shall have terminated in accordance with its terms, the Agricultural Development Bank Act shall have been amended, so as to affect materially and adversely the carrying out of the Project or the operations or financial condition of ADB, and such event shall continue for a period of 60 days after notice thereof shall have been given by the Association to the Borrower.

*Section 5.03.* For the purposes of Section 6.02 of the General Conditions, the following additional event is specified:

An extraordinary situation shall have arisen which shall make it improbable that ADB will be able to perform its obligations under the Subsidiary Loan Agreement.

## *Article VI*

### EFFECTIVE DATE; TERMINATION

*Section 6.01.* The following events are specified as additional conditions to the effectiveness of this Development Credit Agreements within the meaning of Section 10.1 (b) of the General Conditions:

- (a) The Borrower and ADB have entered into the Subsidiary Loan Agreement, in form satisfactory to the Association, and the Subsidiary Loan Agreement has become fully effective and binding on the parties thereto in accordance with its terms, subject only to the effectiveness of this Development Credit Agreement;
- (b) GCMA and ADB have entered into the GCMA Guarantee Agreement, in form satisfactory to the Association, and the GCMA Guarantee Agreement has become fully effective and binding on the parties thereto in accordance with its terms, subject only to the effectiveness of this Development Credit Agreement;
- (c) The Project Development Unit shall have been established with the functions and powers set forth in Schedule 4 to this Agreement, and individuals acceptable to the Association shall have been appointed to the posts of Project Manager, Deputy Project Manager and Financial Controller of the Project Development Unit;
- (d) The Steering Committee referred to in Section 4.05 of this Agreement shall have been established under terms of reference satisfactory to the Association; and
- (e) Arrangements satisfactory to the Association shall have been made for the financing of the portion of the Project not financed by the Credit.

*Section 6.02.* The following are specified as additional matters, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

- (a) that the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and ADB and constitutes a valid and binding obligation of the Borrower and ADB in accordance with its terms; and

- (b) that the GCMA Guarantee Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, GCMA and ADB and constitutes a valid and binding obligation of GCMA and ADB in accordance with its terms.

*Section 6.03.* The date of November 1, 1970 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Section 6.04.* The obligations of the Borrower under Section 4.06, 4.08, 4.10, 4.11 and 4.12 of this Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date 25 years after the date of this Development Credit Agreement, whichever shall be the earlier.

## *Article VII*

### MISCELLANEOUS

*Section 7.01.* The Closing Date shall be December 31, 1975 or such other date as shall be agreed between the Borrower and the Association.

*Section 7.02.* The Minister of Finance and Economic Planning of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

*Section 7.03.* The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

The Principal Secretary  
Ministry of Finance and Economic Planning  
P.O. Box M40  
Accra, Ghana  
Cable address:  
Prudence  
Accra

For the Association:

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

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

Republic of Ghana:

By E. M. DEBRAH  
Authorized Representative

International Development Association:

By J. BURKE KNAPP  
Vice President

# SCHEDULE 1

## ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Equipment and vehicles .....	1,230,000
II. Fertilizers .....	238,000
III. Staff Costs of Project Manager and Financial Controller in Project Development Unit .....	200,000
IV. Project Development Unit buildings .....	543,000
V. Sub-loans made by ADB to Project area farmers for in- secticides, hired labor and planting materials pursuant to the Subsidiary Loan Agreement .....	5,410,000
VI. Unallocated .....	879,000
	<u>TOTAL 8,500,000</u>

## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to V shall decrease, the amount of the Credit then allocated to, and no longer required for, such Category will be reallocated by the Association to Category VI.

2. If the estimate of the cost of the items included in any of the Categories I to V shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit (or, in the case of Categories IV and V,

an amount equal to 82% of such increase) will be allocated by the Association, at the request of the Borrower, to such Category from Category VI, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the items in the other Categories.

## SCHEDULE 2

### DESCRIPTION OF THE PROJECT

The Project is located in the central zone of the Eastern Region of Ghana and consists of:

- A. The rehabilitation of approximately 51,000 acres of existing cocoa plantings through the use of fertilizers, the control of capsids, the replanting of vacancies and the improvement of farm maintenance;
- B. The replanting of approximately 36,000 acres with high yielding cocoa seedlings and bringing these to maturity through, among other measures, the planting of plantain and cocoyam for temporary shade, the control of capsids and the use of fertilizers;
- C. The provision of credit to farmers in the Project area for the rehabilitation and replanting of cocoa;
- D. The provision of training in capsid control and the use and maintenance of spraying machines for approximately 6,000 Project area farmers at schools operated by the Cocoa Division;
- E. The establishment of 15 new cocoa marketing cooperatives in the Project area and the provision of technical assistance to these new cooperatives and to nine existing cooperatives;
- F. The establishment and staffing of a Project Development Unit; and
- G. The improvement of about 100 miles of feeder roads in the Project area in accordance with a program to be agreed annually between the Project Development Unit and the Public Works Department of the Borrower.

The Project is expected to be completed by June 30, 1978.

## SCHEDULE 3

### PROCUREMENT OF GOODS REFERRED TO IN SECTION 3.02 OF THIS AGREEMENT

1. The equipment, vehicles and fertilizers referred to in Categories I and II of Schedule 1 to this Agreement shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with such other procedures supplementary thereto as are set forth in

paragraphs 2 and 3 below. The equipment for feeder road improvement to be financed under such Category I is listed in the Exhibit to this Schedule 3.

2. With respect to contracts for procurement of such goods estimated to cost in excess of \$10,000 equivalent:

- (a) Invitations to bid; specifications, conditions of contract, all other tender documents and the method and places of advertising will be submitted to the Association for its review and approval prior to the issuance of invitations to bid.
- (b) After bids have been received and analyzed, the analysis of the bids, and the proposals for awards, together with the reasons for such proposals, will be submitted to the Association for its review and approval prior to the Borrower's making any award of contract or issuing any letter of intent.
- (c) If the final contract is to differ substantially from the terms and conditions contained in the respective documents approved by the Association under paragraphs (a) and (b) above, the text of the proposed changes will be submitted to the Association for its review and approval prior to the execution of such contract.
- (d) As soon as a letter of intent has been issued or a contract has been executed, a copy thereof will be sent to the Association.

3. With respect to contracts for procurement of such goods estimated to cost \$10,000 equivalent or less, copies of all documents, including the invitation to bid, the tender documents and the bid analysis and evaluation, will be sent to the Association promptly after the execution of any such contract and prior to the submission to the Association of the first application for withdrawal from the Credit Account in respect of such contracts.

4. Contracts for Project Development Unit buildings shall be awarded on the basis of local competitive bidding.

5. The insecticide to be used by Project area farmers shall be "Gammalin" or other insecticide satisfactory to the Borrower and shall be procured from the Project Development Unit.

6. Cocoa seedlings and other planting materials shall be procured from Project nurseries maintained by the Project Development Unit.

### EXHIBIT TO SCHEDULE 3

#### EQUIPMENT FOR FEEDER ROAD IMPROVEMENT

<i>Machine</i>	<i>Type</i>	<i>Number</i>
Grader	Construction (150 hp)	1
Grader	Maintenance (110 hp)	1

<i>Machine</i>	<i>Type</i>	<i>Number</i>
Trucks Tipper	5 Ton	8
Fore End Loader	Wheeled	2
Roller	Pneumatic 10 Ton	2
Truck	Water Tank	2
Dozer	Flywheel hp 120	1

#### SCHEDULE 4

##### FUNCTIONS AND POWERS AND STAFF FOR THE PROJECT DEVELOPMENT UNIT

###### A. *Functions and Powers*

The Project Development Unit shall be responsible for the carrying out of the Project on behalf of the Borrower and shall exercise the following functions and powers:

- (a) to approve all staff seconded to the Project Development Unit prior to secondment, and to return seconded staff to their respective establishments at any time;
- (b) to employ and discharge all monthly and daily paid staff as required for the proper carrying out of the Project;
- (c) to conclude such contracts and transactions as it may deem proper with the prior approval of the Minister of Agriculture;
- (d) to open such bank accounts as are required for the proper execution of the Project;
- (e) to keep proper books of accounts and proper records, and to appoint an external auditor for the auditing of its accounts and for the discharge of such other accountancy and audit functions as it may determine;
- (f) to maintain its own transport facilities;
- (g) to furnish quarterly reports of its activities to the Association and the Borrower; and
- (h) to furnish a report of its activities during the preceding financial year together with an audited statement of accounts in respect of that year to the Association and the Borrower not later than three months after the end of the financial year.

###### B. *Staff*

The Project Development Unit shall be directed by a Project Manager who shall be responsible, through the Principal Secretary of the Ministry, to the Minis-

ter of Agriculture. The Project Manager shall be assisted by a Deputy Project Manager, a Financial Controller and a Cooperative Officer.

The Cooperative Officer shall be seconded to the Project Development Unit from the Department of Cooperatives. He shall be assisted by three Assistant Cooperative Officers, also seconded from the Department of Cooperatives. The Cooperative Officer shall have exclusive control of the cooperatives in the Project area.

The following staff shall be assigned to the Project Development Unit by the Ministry of Agriculture:

Title	Number	Project Year in which required	
		1	2
Senior Agricultural Survey Officers (SASO)	3	3	—
Agricultural Survey Officers	15	6	9
Agricultural Assistants (AA)	150	60	90
Field Assistants (FA)	600	240	360

Four Loan Officers shall be seconded to the Project Development Unit from ADB.

#### INTERNATIONAL DEVELOPMENT ASSOCIATION

#### GENERAL CONDITIONS, DATED 31 JANUARY 1969

#### GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[Not published herein. See *United Nations, Treaty Series*, vol. 703, p. 244.]