

No. 10952

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
IVORY COAST**

**Loan Agreement—*Cocoa Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 5 June 1970**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 22 February 1971.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
CÔTE D'IVOIRE**

**Contrat d'emprunt — *Projet relatif à la production du cacao* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 5 juin 1970**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 22 février 1971.*

## LOAN AGREEMENT<sup>1</sup>

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AGREEMENT, dated June 5, 1970, between REPUBLIC OF THE IVORY COAST (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

### *Article I*

#### GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, 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 Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Loan 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) "SATMACI" means Société d'Assistance Technique pour la Modernisation Agricole de la Côte d'Ivoire, a *société d'Etat* of the Borrower established pursuant to Arrêté No. 35 AEF, Plan I, dated April 14, 1958 (*Journal Officiel de la République de Côte d'Ivoire*, June 21, 1958);

(b) "BNDA" means the Banque Nationale pour le Développement Agricole, a *société d'Etat* of the Borrower established pursuant to Law No. 6808 dated January 8, 1968; and

(c) "CFAF" means the currency of the Borrower.

### *Article II*

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to seven million five hundred thousand dollars (\$7,500,000).

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<sup>1</sup> Came into force on 27 November 1970, upon notification by the Bank to the Government of the Ivory Coast.

<sup>2</sup> See p. 328 of this volume.

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

(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Loan Agreement and in accordance with the allocation of the proceeds of the Loan set forth in Schedule I 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 Bank.

*Section 2.03.* (a) The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods or services required for the Project and to be financed under this Loan Agreement :

- (i) such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Categories I, III, VI and VIII of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement;
- (ii) the equivalent of eighty per cent (80%) of such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Categories IV and VII of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement;
- (iii) the equivalent of fifty per cent (50%) of such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Category V of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement; and
- (iv) the equivalent of eighty per cent (80%) of such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Category II of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement, which percentage represents the estimated foreign exchange component of the cost of such goods or services;

provided, however, that if there shall be an increase in the estimate of such payments for goods or services included in any of the said Categories II, IV, V or VII the Bank 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 Loan then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for goods or services included in such Category.

(b) The Borrower shall also be entitled to withdraw from the Loan Account such amounts as shall be required to meet payments to be made for interest and other charges on the Loan accrued on or before March 31, 1977 or such other date as may be agreed between the Borrower and the Bank.

*Section 2.04.* (a) It is hereby agreed, pursuant to Section 5.01 of the General Conditions that withdrawals from the Loan Account may be made on account of payments in CFAF for : (1) goods produced, or services supplied from, outside the territories of the Borrower and included in Categories I, III, VI or VIII of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement; and (2) goods produced, or services supplied from, within or outside the territories of the Borrower and included in Categories II, IV, V or VII of said allocation of the proceeds of the Loan.

(b) No withdrawal from the Loan Account shall be made on account of payments for taxes imposed by the Borrower or any of its political subdivisions on, or in connection with the importation or supply of, goods or services included in Categories I, III, VI or VIII of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement.

*Section 2.05.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

*Section 2.06.* The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Interest and other charges shall be payable semi-annually on October 1 and April 1 in each year.

*Section 2.08.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

### Article III

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall cause the proceeds of the Loan to be applied in accordance with the provisions of this Loan Agreement to expenditures on the Project described in Schedule 3 to this Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree, (i) the goods and services to be financed out of the proceeds of the Loan 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 Schedule 4 to this Agreement and as the same may be amended from time to time by agreement between the Borrower and the Bank.

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

#### *Article IV*

##### BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

*Section 4.02.* The *Ministre de l'Economie et des Finances* of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound agricultural, engineering, economic, administrative and financial practices, and shall provide, promptly as needed, facilities, services and other resources required for the purpose.

(b) Without restriction or limitation upon the provisions of paragraph (a) of this Section, the Borrower shall establish or cause to be established a special revolving fund (hereinafter called the Project Revolving Fund) to be used exclusively to make payments for the cost of goods and services required to carry out the Project. The Borrower shall deposit or cause to be deposited in the Project Revolving Fund all such amounts as shall be, from time to time, required to permit the payments heretofore specified to be made, promptly as needed, out of the Project Revolving Fund. The Borrower shall maintain records adequate to reflect, in accordance with consistently maintained sound accounting practices, the operations and financial condition of the Project Revolving Fund.

(c) Without restriction or limitation upon the provisions of paragraphs (a) or (b) of this Section, the Borrower shall make or cause to be made an initial deposit in the Project Revolving Fund in the amount of CFAF twenty-five

million (CFAF 25,000,000) and thereafter shall on a quarterly basis make or cause to be made deposits in the Project Revolving Fund in such amounts as shall be sufficient to meet payments for the costs of the Project required on its part to cover the forthcoming three months of such costs as estimated on the basis of the work schedules relating thereto.

(d) The Borrower covenants that in the allocation of biclonal hybrid seed the requirements of farmers participating in the Project will be given priority.

(e) In carrying out Part IV of the Project, the Borrower shall cause SATMACI to employ qualified and experienced consultants acceptable to the Bank, upon terms and conditions acceptable to the Bank.

(f) The Borrower shall cause the Bank to be furnished, promptly upon their preparation, with the plans, specifications and work schedules for the Project and any material modifications subsequently made therein in such detail as the Bank shall from time to time request.

*Section 5.02.* (a) The Borrower and the Bank shall co-operate fully to ensure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to the administration of SATMACI and BNDA and of any other agency or agencies of the Borrower responsible for carrying out the Project or any part thereof, with respect to the policies of the Borrower relating to cocoa prices and with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, and the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

*Section 5.03.* (a) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, 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 its operations, receipts and expenditures; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the

proceeds of the Loan, and the administration, operations, and financial condition of BNDA and SATMACI.

(b) The Borrower shall cause SATMACI AND BNDA to have their accounts relating to the Project and its operation to be audited at least once each year by independent auditors acceptable to the Bank. Such accounts and audit report shall be prepared in a form satisfactory to the Bank, and shall cause BNDA and SATMACI to furnish to the Bank, within four months following the close of their respective fiscal years, signed copies of such auditors' reports and a copy of their complete annual accounts.

*Section 5.04.* It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date; or (iii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iv) any lien upon real estate or other property in the Ivory Coast or revenues or receipts in the currency of the Borrower, if such lien is given by a political subdivision or by an agency of a political subdivision of the Borrower under arrangements or circumstances which would not result in priority in the allocation or realization of foreign exchange.

The term " assets of the Borrower " as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision or of any institution which may be established to perform the functions of a central bank exclusively for the Borrower, and any participation, share, right or other financial interest which the Borrower may have in any institution (other than an agency of the Borrower) performing such functions for the Borrower. The term " assets of the Borrower " as used in this Section shall not include assets of municipalities (*communes*).

The Borrower further undertakes that, within the limits of its constitutional powers, it will make the foregoing undertaking effective with respect to liens on the assets of municipalities (*communes*). If the Borrower, because of constitutional or other legal provisions, shall be unable to make the foregoing effective with respect to any lien on any assets of a municipality (*commune*), the Borrower, except as the Bank shall otherwise agree, shall give to the Bank an equivalent lien or equivalent priority in the allocation or realization of foreign exchange, as the case may be, satisfactory to the Bank.

*Section 5.05.* The principal of, and interest and other charges on, the Loan and the Bonds 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; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

*Section 5.06.* This Agreement and the Bonds 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, issue, delivery or registration thereof, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

*Section 5.07.* (a) The Borrower shall promptly notify the Bank of any proposal to amend, supplement or repeal any provision of its legislation presently in force and effect and applicable to the structure and operations of SATMACI or to the *statuts* of SATMACI and shall afford the Bank an opportunity to comment thereon prior to any action on such proposal.

(b) The Borrower shall promptly notify the Bank of any proposal to amend, supplement or repeal any provision of its legislation presently in force and effect and applicable to BNDA or of BNDA's *statuts*, which might materially and adversely affect the carrying out and operating of the Project, and shall afford the Bank an opportunity to comment thereon prior to taking any action on such proposal.

*Section 5.08.* (a) The Borrower shall at all times cause SATMACI to be staffed with qualified and experienced senior personnel and shall inform the Bank of any proposed change in the position of *Directeur du Département Cacao et Café* or in the person filling such position and shall afford the Bank an opportunity to comment thereon prior to effectuating any such change.



(b) The Borrower shall cause SATMACI to appoint, by not later than December 31, 1970 (or such later date as shall be agreed to by the Bank), and thereafter employ, an *Adjoint au Directeur du Département Cacao et Café* who shall be responsible exclusively for the execution and operation of the Project, with qualifications and experience acceptable to the Bank and with such powers and responsibilities as shall be mutually satisfactory to the Borrower and Bank.

*Section 5.09.* The Borrower shall establish and maintain a Project Coordinating Committee, having terms of reference and a membership acceptable to the Bank, to coordinate the work of the Borrower's ministries and agencies involved in the carrying out of the Project and to ensure the timely implementation of the Project.

*Section 5.10.* The Borrower (i) shall cause SATMACI, in accordance with Schedule 5 to this Loan Agreement, to employ such extension staff as shall be necessary to carry out and operate the Project and shall cause SATMACI to increase the number of such staff should the Borrower and the Bank agree that such an increase is required for the efficient execution and operation of the Project; and (ii) shall provide or cause to be provided the training facilities for extension staff necessary for purposes of the Project.

*Section 5.11.* The Borrower shall promptly inform the Bank of any changes proposed in its policies (including policies as to producer prices and export duties concerning the marketing of cocoa produced in its territories) which might materially and adversely affect the ability of farmers participating in the Project to repay the credits.

*Section 5.12.* The Borrower undertakes to insure or cause to be insured with responsible insurers, the goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the 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 for the Borrower to replace or repair such goods.

*Section 5.13.* The Borrower shall cause SATMACI, by not later than December 31, 1970, to adopt standard forms of agreement between SATMACI and the cocoa farmers participating in the Project, which agreements shall contain terms and conditions satisfactory to the Bank and which shall thereafter not be amended without prior consultation with the Bank.

*Section 5.14.* Except as the Bank shall otherwise agree, the terms and conditions governing the credit program for cocoa farmers participating in the Project shall be in accordance with the provisions of Schedule 6 to this Loan Agreement.

*Article VI*

## REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in this Loan Agreement or in the Bonds notwithstanding.

*Article VII*

## EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following events are specified as additional conditions to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions :

- (a) the Borrower has established, and made the initial deposit into, the Project Revolving Fund, as required under Section 5.01 of this Loan Agreement; and
- (b) the Project Coordinating Committee required under Section 5.08<sup>1</sup> of this Loan Agreement has been established on terms and conditions satisfactory to the Bank.

*Section 7.02.* The date of September 10, 1970 is hereby specified for the purposes of Section 11.04 of the General Conditions.

*Article VIII*

## MISCELLANEOUS

*Section 8.01.* The Closing Date shall be September 30, 1977 or such other date as shall be agreed between the Borrower and the Bank.

*Section 8.02.* The *Ministre de l'Economie et des Finances* of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

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<sup>1</sup> Should read 5.09.

*Section 8.03.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Borrower :

Ministère de l'Économie et des Finances

B.P. 1766

Abidjan

Ivory Coast

Cable address :

Minifin

Abidjan, Ivory Coast

For the Bank :

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Cable address :

Intbafrad

Washington, D.C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan 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 the Ivory Coast :

*By* KONAN BÉDIÉ

Authorized Representative

International Bank for Reconstruction and Development :

*By* J. BURKE KNAPP

Vice President

## SCHEDULE I

## ALLOCATION OF PROCEEDS OF LOAN

| <i>Category</i>  | <i>Amounts Expressed<br/>in Dollar Equivalent</i> |
|--|---|
| <i>New plantations</i>   |   |
| I. Fertilizer procured from foreign suppliers . . . . .                      | 1,080,000   |
| II. Fertilizer procured from local manufacturers . . . . .                   | 1,070,000   |
| III. Insecticides, sprayers and vehicles . . . . .                           | 350,000   |
| IV. Project staff and extension services . . . . .                           | 1,130,000   |
| V. Hired labor . . . . .   | 510,000   |
| <i>Rehabilitation</i>  |   |
| VI. Insecticides, sprayers and vehicles . . . . .                            | 490,000   |
| VII. Project staff and extension services . . . . .                          | 910,000   |
| <i>General</i>   |   |
| VIII. Study for Stage 2 . . . . .  | 320,000   |
| IX. Interest and other charges on the Loan until March 31,<br>1977 . . . . . | 950,000   |
| X. Unallocated . . . . .   | 690,000   |
| TOTAL :  | <u><u>7,500,000</u></u>                           |

## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of items included in any of the Categories I-IX, shall decrease the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category X.

2. If the estimate of the cost of items included in any of the Categories I-IX shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan (or, in the case of Categories II, IV and VII an amount equal to 80% of such increase, or in the case of Category V an amount equal to 50% of such increase) will be allocated by the Bank, at the request of the Borrower, to such Category from Category X, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Categories.

## SCHEDULE 2

## AMORTIZATION SCHEDULE

| <i>Date Payment Due</i>   | <i>Payment of Principal (expressed in dollars)*</i> | <i>Date Payment Due</i>   | <i>Payment of Principal (expressed in dollars)*</i> |
|---------------------------|---|---------------------------|---|
| October 1, 1977 . . . . . | 360,000   | October 1, 1981 . . . . . | 470,000   |
| April 1, 1978 . . . . .   | 370,000   | April 1, 1982 . . . . .   | 485,000   |
| October 1, 1978 . . . . . | 385,000   | October 1, 1982 . . . . . | 505,000   |
| April 1, 1979 . . . . .   | 395,000   | April 1, 1983 . . . . .   | 520,000   |
| October 1, 1979 . . . . . | 410,000   | October 1, 1983 . . . . . | 540,000   |
| April 1, 1980 . . . . .   | 425,000   | April 1, 1984 . . . . .   | 560,000   |
| October 1, 1980 . . . . . | 440,000   | October 1, 1984 . . . . . | 580,000   |
| April 1, 1981 . . . . .   | 455,000   | April 1, 1985 . . . . .   | 600,000   |

\* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions :

| <i>Time of Prepayment or Redemption</i>   | <i>Premium</i> |
|---|----------------|
| Not more than three years before maturity . . . . .                               | 1½%            |
| More than three years but not more than six years before maturity . . . . .       | 2½%            |
| More than six years but not more than eleven years before maturity . . . . .      | 4%             |
| More than eleven years but not more than thirteen years before maturity . . . . . | 5½%            |
| More than thirteen years before maturity . . . . .                                | 7%             |

## SCHEDULE 3

## DESCRIPTION OF THE PROJECT

The Project consists of the following :

*Part I:* The establishment and bringing into production of about 18,800 ha of cocoa by farmers in the Borrower's statistical zones 9 through 15 and includes :

- (a) Prospecting and a cadastral survey.
- (b) A credit program for cocoa farmers.
- (c) All necessary supervisory and advisory services.
- (d) Necessary training and training facilities for extension personnel.

*Part II:* The rehabilitation and bringing into full production of about 38,000 ha of cocoa already planted in the Borrower's statistical zones 1 through 5, 7 through 11 and 14 through 15, and includes :

- (a) Prospecting and a cadastral survey.
- (b) A credit program for cocoa farmers.
- (c) All necessary supervisory and advisory services.
- (d) Necessary training and training facilities for extension personnel.

*Part III:* The construction of a warehouse to facilitate input distribution.

*Part IV:* A study for a second phase cocoa planting program.

The Project is expected to be completed by June 30, 1977.

#### SCHEDULE 4

##### PROCUREMENT

1. All contracts for the procurement of goods and services under Categories I, II, III and VI of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Loan Agreement exceeding U.S. \$50,000 equivalent shall be awarded on the basis of international competitive bidding and the following procedures shall be followed :

- (a) Individual contracts will be of a size sufficiently large so as not to discourage potential bidders or to impede an economical and diligent carrying out of the Project.
- (b) Before inviting tenders, the Borrower will submit to the Bank for its approval the proposed standard bid invitation documents and a description of tendering procedures.
- (c) Unless otherwise agreed with the Bank, with respect to each contract involving an amount exceeding U.S. \$50,000 equivalent, the Borrower will submit to the Bank for its approval, prior to awarding the contract, the summary of the bids received, an analysis report and recommendations and a justification of the proposal for awarding the contract.

2. With respect to each contract involving an amount of U.S. \$50,000 equivalent or less the Borrower shall submit to the Bank at the time the award is made a summary of bids or quotations, an analysis report and recommendations, a brief justification for making the award and as soon as the contract has been signed the Borrower shall send a copy thereof to the Bank together with a copy of the *procès-verbal* of the public opening of the tenders.

3. Firms producing goods in the Ivory Coast shall be invited to participate in the international competitive bidding. Bids shall be compared on the following basis :

- (i) the bids submitted by foreign manufacturers will first be compared on the basis of a bid price which will consist of the c.i.f. (Abidjan) landed price plus the actual

- rate of customs duties, and similar taxes paid or to be paid and the local agents' commissions, if any; the lowest such bid will be deemed to be the lowest foreign bid; if no bids are submitted by Ivory Coast manufacturers, the lowest foreign bid will be considered the lowest evaluated bid if other terms and conditions are satisfactory;
- (ii) the bids submitted by Ivory Coast manufacturers will be compared on the basis of the ex-factory price, and the lowest such bid will be deemed to be the lowest Ivory Coast bid; if no bids are submitted by foreign manufacturers, the lowest Ivory Coast bid will be considered the lowest evaluated bid if other terms and conditions are satisfactory;
- (iii) if foreign manufacturers and Ivory Coast manufacturers have submitted bids, the lowest foreign bid will be compared with the lowest Ivory Coast bid on the basis of a price for the lowest foreign bid consisting of the c.i.f. (Abidjan) landed price plus 15% of such price or the rate of customs duties and similar taxes paid, or to be paid, whichever is the lower, plus the local agents' commissions, if any, and on the basis of the ex-factory price of the lowest Ivory Coast bid; if the price of the lowest Ivory Coast bid is equal to or lower than the price of the lowest foreign bid, and other terms and conditions are satisfactory, then the lowest Ivory Coast bid will be considered the lowest evaluated bid.

## SCHEDULE 5

### EXTENSION STAFF

#### *NEW PLANTATIONS*

##### ASSISTANT ZONAL COCOA OFFICERS

1 officer for each zone

##### AGRICULTURAL ASSISTANTS

1 agricultural assistant for 7 field workers

##### FIELD WORKERS

###### *1st Year of Planting*

1 field worker for each 100 ha of cocoa or 50 farmers whichever is less

###### *2nd to 8th Year of Planting*

1 field worker for each 200 ha of cocoa or 100 farmers whichever is less

###### *9th to 11th Year of Planting*

1 field worker for each 400 ha of cocoa or 200 farmers whichever is less

###### *After 11th Year of Planting*

1 field worker for each 3,000 ha of cocoa.

**REHABILITATION****AGRICULTURAL ASSISTANTS**

1 agricultural assistant for 7 field workers

**FIELD WORKERS***1st and 2nd Years of Rehabilitation*

1 field worker for each 200 ha of cocoa or 100 farmers whichever is less

*3rd and 4th Years of Rehabilitation*

1 field worker for each 400 ha of cocoa or 200 farmers whichever is less

*After 4th Year of Rehabilitation*

1 field worker for each 3,000 ha of cocoa.

**SCHEDULE 6****CREDIT PROGRAM****NEW PLANTATIONS***Equipment and Materials*

Farmers shall receive credit for the full cost of fertilizer, insecticides and sprayers during the first four years from cocoa planting. Fertilizer shall be granulated compound 12-15-18 applied at the following rates :

|             |           |
|-------------|-----------|
| Year 1..... | 170 kg/ha |
| Year 2..... | 330 kg/ha |
| Year 3..... | 500 kg/ha |
| Year 4..... | 670 kg/ha |

*Cash*

Farmers shall receive a total of CFAF 14,000 per ha to meet the costs of hired labor required in the year of cocoa planting. This amount shall be made available as follows :

|  |                         |
|--|-------------------------|
| Year of Planting.....                      | CFAF 10,000             |
| First and second years after planting..... | CFAF 2,000 in each year |

The cash credits to be made available in the first and second years after planting shall be conditional upon satisfactory execution of planting and subsequent maintenance by the farmer.

*Terms of Credit*

The foregoing credits shall be made available, interest free, through the first four years from planting. Thereafter, interest shall be charged at 5½% per annum on the outstanding amount of the credit and payment of interest and principal shall be made by equal annual payments over eight years from the fifth year after planting.



*REHABILITATION**Equipment and Materials*

Farmers shall receive credit for 80% of the cost of insecticides and sprayers during the first two years of cocoa rehabilitation. Insecticide shall be applied in two treatments a year with two sprayings in each treatment of benzene hexachloride at the rate of 1.5 liters (comprising 20% concentrate) for 80 liters of water per hectare for each spraying.

*Terms of Credit*

Interest at 5½% per annum shall be charged on the foregoing credit. Interest shall be added to the principal amount of the credit during the first two years and repayment of interest and principal shall be made by two equal annual payments from the third year.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.*]

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