Loan Agreement
(Substitution)

(Fourth Oil Palm and Coconut Project)

between

REPUBLIC OF THE IVORY COAST

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 18, 1980
AGOYMENT, dated September 18, 1980, between REPUBLIC OF THE IVORY COAST (hereinafter called the Borrower) and INTER-
ATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) the Borrower in the year 1976 had purchased all of the B and C shares of Société Palmivoire (hereinafter called PALMIVOIRE) and all of the B and C shares of Société Palmindustrie (hereinafter called PALMINDUSTRIE) and, thereupon, had taken all action required to dissolve PALMIVOIRE and to cause the statuts of PALMINDUSTRIE to be amended accordingly;

(B) the Borrower, Société pour le Développement et l'Exploi-
tation du Palmier à Huile - SODEPALM (hereinafter called SODEPALM) and PALMINDUSTRIE had terminated (i) the Protocole d'Accord (as such term is defined hereinafter), and (ii) the mandats d'investissement et de gestion (as such mandats are more fully described hereinafter) whereby SODEPALM and PALMINDUSTRIE had entrusted to PALMIVOIRE the management of industrial oil palm plantations and related operations and installations and the management of all aspects of business, respectively;

(C) the Borrower by virtue of its Decree No. 76-854 dated December 10, 1976, had assigned to SODEPALM the responsibility in the territory of the Borrower for the execution of palm tree and coconut tree projects as well as related regional agricultural and industrial diversification programs (hereinafter called the Decree);

(D) SODEPALM and PALMINDUSTRIE had entered into a Contrat de bail d'immeubles industriels (hereinafter called the SODEPALM-
PALMINDUSTRIE Contrat de bail) making arrangements for SODEPALM to lease from PALMINDUSTRIE oil production facilities and related facilities as well as housing facilities and vehicles;

(E) pursuant to a loan agreement (Fourth Oil Palm and Coconut Project) dated March 30, 1977 between the Bank and SODEPALM (hereinafter called the 1977 Loan Agreement), the Bank made a loan (hereinafter called the 1977 Loan) to SODEPALM in an amount in various currencies equivalent to twenty million dollars ($20,000,000) to assist in the financing of the Project described in Schedule 2 to this Agreement;
(F) pursuant to a guarantee agreement (Fourth Oil Palm and Coconut Project) dated March 30, 1977 between the Borrower and the Bank (hereinafter called the 1977 Guarantee Agreement), the Borrower guaranteed the obligations of SODEPALM under the 1977 Loan Agreement;

(G) pursuant to an agreement dated March 30, 1977 between the Borrower, the Bank, SODEPALM and PALMINDUSTRIE (hereinafter called the Amending Agreement), the parties to the Amending Agreement amended agreements entered into among them with respect to Loans Nos. 611, 612, 613, 759, 760 and 1036-IVC;

(H) the Borrower by virtue of its Decree No. 78-296 dated April 5, 1978, subsequently redefined the corporate purposes of SODEPALM, thereby amended the Decree, and made SODEPALM responsible for the provision of extension services to outgrowers of oil palm trees and coconut trees;

(I) The Borrower, after having transformed PALMINDUSTRIE into a société d'État pursuant to its Decree No. 77-56 dated January 21, 1977, also redefined the corporate purposes of PALMINDUSTRIE by virtue of its Decree No. 78-297 dated April 5, 1978, thereby amended the Decree, and made PALMINDUSTRIE responsible for the operation and maintenance of the industrial oil palm and coconut plantations and the oil and coconut production facilities;

(J) SODEPALM and PALMINDUSTRIE have terminated the SODEPALM-PALMINDUSTRIE Contrat de bail;

(K) the Borrower set a new policy whereby state corporations, such as SODEPALM, will not be permitted any more to borrow from foreign sources and, therefore, requested, by a letter dated September 13, 1978, to be substituted to SODEPALM's rights and obligations as borrower under the 1977 Loan Agreement in accordance with said new policy;

(L) as of the date hereof, the Bank has not made any disbursements to SODEPALM pursuant to the 1977 Loan Agreement;

(M) the Borrower is prepared to assume various obligations of SODEPALM under the 1977 Loan Agreement and to borrow from the Bank an amount in various currencies equivalent to nineteen million dollars ($19,000,000) on the terms and conditions hereinafter set forth;
(N) as a result of the changes referred to in Recitals (H), (I) and (K) of this Preamble:

(i) the Borrower and the Bank have agreed to substitute this Agreement, together with the agreement referred to in paragraph (ii) of this Recital, for the 1977 Loan Agreement and the 1977 Guarantee Agreement;

(ii) the Bank and PALMINDUSTRIE have agreed to enter into a project agreement of even date herewith since PALMINDUSTRIE has already carried out portions of the Project and intends to continue the carrying out of the Project with the assistance of the Borrower, and as the Borrower will make available to PALMINDUSTRIE the proceeds of the Loan as hereinafter provided;

(iii) the 1977 Loan Agreement and the 1977 Guarantee Agreement and all obligations of the parties thereunder will terminate on the effective date of this Agreement and the project agreements referred to in paragraph (ii) of this Recital;

(0) Banque Nationale de Développement Agricole (hereinafter called BNDA) is prepared to continue its share of the financing of the Project to the extent of the aggregate principal amount of five hundred million CFA francs (CFAF500,000,000) (hereinafter called the Second BNDA-PALMINDUSTRIE Loan) on the terms and conditions set forth in the agreement dated June 3, 1980 entered into between BNDA and PALMINDUSTRIE (hereinafter called the Second BNDA-PALMINDUSTRIE Loan Agreement);

(P) the Borrower has assured the prefinancing of the Project to the date hereof and intends to continue the prefinancing until the Effective Date of this Agreement, it being understood that the expenditures thus incurred by the Borrower may be withdrawn from the Loan Account in accordance with the terms and conditions of this Agreement; and

(Q) (a) the proper implementation of the actions referred to in Recitals (I) and (J) has duly taken place; (b) certain prior agreements among the Borrower, the Bank, SODEPALM and PALMINDUSTRIE have been amended or terminated, in whole or in part, accordingly; and (c) such modifications are incorporated into an
agreement of even date herewith among the Borrower, the Bank, SODEPALM and PALMINDUSTRIE (hereinafter called the Loan Assumption and Amending Agreement);

WHEREAS the Bank has agreed, on the basis inter alia of the foregoing, to make the Loan to the Borrower upon the terms and conditions set forth hereinafter and in project agreements of even date herewith between the Bank and PALMINDUSTRIE and the Bank and SODEPALM, respectively;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated March 15, 1974, with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions):

(a) Item 10 of Section 2.01 is deleted and the following sentence is substituted therefor:

"10. The term 'Loan Account' means the Account opened by the Bank on its books in the name of SODEPALM under the 1977 Loan Agreement which shall, on the date of this Loan Agreement, be redesignated as an account in the name of the Borrower."

(b) The second sentence of Section 3.02 is deleted and the sentence is substituted therefor:

"Such commitment charge shall accrue from a date sixty days after the date of the 1977 Loan Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account or shall be cancelled."

Section 1.02. Wherever used in this Agreement, 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) "PALMINDUSTRIE Project Agreement" means the agreement between the Bank and PALMINDUSTRIE of even date herewith, as the same may be amended from time to time, and such term includes all schedules to the PALMINDUSTRIE Project Agreement and all agreements supplemental to the PALMINDUSTRIE Project Agreement;

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

(c) "1969 Loan Agreement No. 611", "1969 Guarantee Agreement No. 611" and "1969 Companies Guarantee Agreement No. 611" mean, respectively, the Loan Agreement between the Bank and SODEPALM, the Guarantee Agreement between the Borrower and the Bank, and the Companies Guarantee Agreement between the Bank and PALMINDUSTRIE, all entered into on June 13, 1969 for the purpose of the Industrial Oil Palm Plantation Project, as amended;

(d) "1969 Loan Agreement No. 612", "1969 Guarantee Agreement No. 612" and "1969 Companies Guarantee Agreement No. 612" mean, respectively, the Loan Agreement between the Bank, PALMINDUSTRIE and PALMIVOIRE, the Guarantee Agreement between the Borrower and the Bank, and the Companies Guarantee Agreement between the Bank, SODEPALM and PALMIVOIRE, all entered into on June 13, 1969 for the purpose of the Palm-Oil Processing Project, as amended;

(e) "1969 Loan Agreement No. 613" and "1969 Guarantee Agreement No. 613" mean, respectively, the Loan Agreement between the Bank and SODEPALM, and the Guarantee Agreement between the Borrower and the Bank, both entered into on June 13, 1969 for the purpose of the Oil Palm Outgrowers and Coconut Project, as amended;

(f) "1971 Loan Agreement No. 759", "1971 Guarantee Agreement No. 759" and "1971 Companies Guarantee Agreement No. 759" mean, respectively, the Loan Agreement between the Bank, PALMINDUSTRIE and PALMIVOIRE, the Guarantee Agreement between the Borrower and the Bank, and the Companies Guarantee Agreement between the Bank, SODEPALM and PALMIVOIRE, all entered into on June 22, 1971 for the purpose of the Second Palm-Oil Processing Project, as amended;
(g) "1971 Loan Agreement No. 760" and "1971 Guarantee Agreement No. 760" mean, respectively, the Loan Agreement between the Bank and SODEPALM, and the Guarantee Agreement between the Borrower and the Bank, both entered into on June 22, 1971 for the purpose of the Second Oil Palm Outgrowers and Coconut Project, as amended;

(h) "1974 Loan Agreement No. 1036" and "1974 Guarantee Agreement No. 1036" mean, respectively, the Loan Agreement between the Bank, SODEPALM and PALMIVOIRE, and the Guarantee Agreement between the Borrower and the Bank, both entered into on July 31, 1974 for the purpose of the Third Oil Palm Project, as amended;

(i) "FED Prêt Spécial" means the loan agreement dated June 16, 1969 between, on the one side, the European Economic Communities (hereinafter called EEC) and the European Investment Bank (hereinafter called EIB) acting as agent of the EEC, and on the other side, SODEPALM, in accordance with which funds have been provided by the European Development Fund (hereinafter called FED) of the EEC to assist in financing 5,400 ha of industrial oil palm plantations;

(j) "First Caisse Centrale SODEPALM Loan Agreement" means the loan agreement dated June 3, 1969 between SODEPALM and Caisse Centrale de Coopération Economique (hereinafter called Caisse Centrale) in accordance with which Caisse Centrale undertook to assist in financing the industrial oil palm plantation project described in Schedule 1 to the 1969 Loan Agreement No. 611;

(k) "Second Caisse Centrale SODEPALM Loan Agreement" means the loan agreement dated June 3, 1969 between SODEPALM and Caisse Centrale in accordance with which Caisse Centrale undertook to assist in financing the project described in Schedule 1 to the 1969 Loan Agreement No. 613;

(l) "Caisse Centrale PALMINDUSTRIE Loan Agreement" means the loan agreement dated June 3, 1969 between PALMINDUSTRIE and Caisse Centrale in accordance with which Caisse Centrale undertook to assist in financing five palm-oil mills in Anguededou, Bolo, Boubo, Soubré and Tiegba;

(m) "EIB Loan Agreement" means the loan agreement dated June 16, 1969 between EIB and PALMINDUSTRIE in accordance with which EIB undertook to assist in financing five palm-oil mills at Anguededou, Bolo, Boubo, Soubré and Tiegba;
(n) "Caisse Centrale - BNDA Loan Agreement" means the loan agreement between Caisse Centrale and BNDA in accordance with which Caisse Centrale provided BNDA with a loan in an amount of thirty-nine million forty-four thousand French francs for relending by BNDA, (i) in an amount of five hundred thirty-four million two hundred thousand CFA francs (CFAF534,200,000) to PALMINDUSTRIE pursuant to the BNDA-PALMINDUSTRIE loan agreement, dated November 23, 1971 (hereinafter referred to as the First BNDA-PALMINDUSTRIE Loan Agreement), and (ii) in an amount of one billion four hundred eighteen million CFA francs (CFAF1,418,000,000) to SODEPALM under a loan agreement, dated November 23, 1971;

(o) "subsidiary" means any corporation, a majority of whose outstanding voting stock shall be owned, or which shall be effectively controlled, by PALMINDUSTRIE or by one or more subsidiaries of or by PALMINDUSTRIE and one or more of its subsidiaries;

(p) "CSSPPA" means the Caisse de Stabilisation et de Soutien des Prix des Productions Agricoles, a société d'État established and organized under the laws of the Borrower;

(q) "CFA francs" and the letters "CFA" mean francs in the currency of the Borrower;

(r) "Project Directorate" means the directorate referred to in Schedule 2 of this Agreement.

(s) The term "Protocole d'Accord" means the agreement together with all its annexes dated June 24, 1968 as amended (and as such annexes may have been amended from time to time with the prior agreement of the Bank) between the Ivory Coast and SODEPALM, on the one side, and, on the other side, Société Sogescol S.A., Société la Forestière Equatoriale, Société d'Études pour le Développement de la Culture Bananière, Société des Plantations des Terres Rouges, Société Franco-Africaine de Raffinage, Société Immobilière Elaeis, Banque Internationale pour l'Afrique Occidentale, Société Générale de Banques en Côte d'Ivoire, Société Ivoirienne de Banque, Banque Internationale pour le Commerce et l'Industrie en Côte d'Ivoire, and Société Nationale de Financement which has been terminated by the parties thereto;

(t) The term "PALMINDUSTRIE mandat d'investissement" means the agreement dated May 12, 1969, as amended June 10, 1971 between
PALMINDUSTRIE and PALMIVOIRE whereby PALMINDUSTRIE had fully authorized and empowered PALMIVOIRE to act as agent of PALMINDUSTRIE in order to carry out and execute the investment program of PALMINDUSTRIE providing for the construction of palm-oil processing mills at Ehania, Anguededou, Tiegba, Boubo, Bolo, Soubré, Toumanguie, Eloka and Dabou and the completion of related facilities, in return for a fixed fee of 60,000,000 CFA francs payable over a five-year period commencing from the date of signing of the PALMINDUSTRIE mandat d'investissement which has been terminated by the parties thereto;

(u) the term "SODEPALM mandat d'investissement" means the agreement dated May 12, 1969, between SODEPALM and PALMIVOIRE whereby the Borrower had fully authorized and empowered PALMIVOIRE to act as agent of SODEPALM in order to carry out and execute the investment program of SODEPALM providing for the establishment of industrial oil palm plantations and related facilities in return for a fixed fee of 90,000,000 CFA francs payable over a five-year period commencing from the date of signing of the SODEPALM mandat d'investissement which has been terminated by the parties thereto;

(v) the term "PALMINDUSTRIE mandat de gestion" means the agreement dated May 12, 1969, as amended June 10, 1971 between PALMINDUSTRIE and PALMIVOIRE whereby PALMINDUSTRIE had fully authorized and empowered PALMIVOIRE to act as its agent in running the affairs of PALMINDUSTRIE and managing all its properties and interests for a period of 30 years (commencing January 1, 1969 and terminating December 31, 1998) which has been terminated by the parties thereto; and

(w) the term "SODEPALM mandat de gestion" means the agreement dated May 12, 1969, as amended June 10, 1971 between SODEPALM and PALMIVOIRE whereby SODEPALM had fully authorized and empowered PALMIVOIRE to act as its agent in managing the Borrower's industrial oil palm plantations and related operations and facilities for a period of 30 years (commencing January 1, 1969 and terminating December 31, 1998) which has been terminated by the parties thereto.

Section 1.03. This Loan Agreement together with the PALMINDUSTRIE Project Agreement shall be substituted for both the 1977 Loan Agreement and the 1977 Guarantee Agreement and both such agreements and all obligations of the parties thereunder shall terminate on the Effective Date of this Agreement.
ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to nineteen million dollars ($19,000,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and the Bank, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan.

Section 2.03. Except as the Bank shall otherwise agree, procurement of the goods and civil works to be financed out of the proceeds of the Loan, shall be governed by the provisions of the Schedule to the PALMINDUSTRIE Project Agreement.

Section 2.04. The Closing Date shall be June 30, 1981 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent (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 eight and one-half per cent (8.50%) 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 semiannually on April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower shall carry out the Project through PALMINDUSTRIE with due diligence and efficiency and in
conformity with appropriate agricultural, commercial and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) Without any limitation or restriction upon any of its other obligations under the Loan Agreement, the Borrower shall cause PALMINDUSTRIE to perform in accordance with the provisions of the PALMINDUSTRIE Project Agreement all the obligations therein set forth, shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable PALMINDUSTRIE to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(c) The Borrower shall make available to PALMINDUSTRIE the proceeds of the Loan under a financing agreement to be entered into between the Borrower and PALMINDUSTRIE under terms and conditions which shall have been approved by the Bank.

(d) The Borrower shall exercise its rights under the PALMINDUSTRIE Financing Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan, and except as the Bank shall otherwise agree, the Borrower shall not assign, nor amend, abrogate or waive the PALMINDUSTRIE Financing Agreement or any provision thereof.

Section 3.02. The Borrower shall cause SODEPalm to provide extension services to outgrowers included in Part E of the Project.

ARTICLE IV
Other Covenants

Section 4.01. (a) It is the policy of the Bank, in making loans to, or with the guarantee of, its members not to seek, in normal circumstances, special security from the member concerned but to ensure that no other external debt shall have priority over its loans in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member. To that end, if any lien shall be created on any public assets (as hereinafter defined), as security for any external debt, which will or might result in a priority for the benefit of the creditor of such external debt in the allocation, realization or distribution of foreign exchange, such lien shall, unless the Bank shall otherwise agree, ipso
facto and at no cost to the Bank, equally and ratably secure the principal of, and interest and other charges on, the Loan, and the Borrower, in creating or permitting the creation of such lien, shall make express provision to that effect; provided, however, that, if for any constitutional or other legal reason such provision cannot be made with respect to any lien created on assets of any of its political or administrative subdivisions, the Borrower shall promptly and at no cost to the Bank secure the principal of, and interest and other charges on, the Loan by an equivalent lien on other public assets satisfactory to the Bank.

(b) The foregoing undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) As used in this Section, the term "public assets" means assets of the Borrower, of any political or administrative subdivision thereof and of any entity owned or controlled by, or operating for the account or benefit of, the Borrower or any such subdivision, including gold and other foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Borrower; provided, however, that for the purposes of this Section, the term "entity" shall not apply to Ivory Coast State Companies which are organized as business corporations in accordance with laws and regulations applicable to private companies and whose activities are not reflected in the Borrower's budget, except that the provisions of this Section shall apply to any such entity to the extent that it would hold gold and foreign exchange assets on behalf of the Borrower.

Section 4.02. (a) The Borrower shall make or cause to be made available to PALMINDUSTRIE, as and when needed, all personnel, facilities and all such land and rights in respect of land as shall be required for the carrying out and operation of the Project.

(b) Without limitation or restriction upon the generality of the foregoing, the Borrower shall take or cause to be taken all appropriate action to enable PALMINDUSTRIE to employ sufficient field workers for the plantations under the Project and their maintenance thereafter.
Section 4.03. The Borrower shall consult, on a regular basis, with the Bank on PALMINDUSTRIE's investment and expansion programs and the conditions of their financing.

Section 4.04. The Borrower shall take all appropriate measures to provide, or cause to be provided, for processing facilities as and when the plantations under the Project come to maturity.

Section 4.05. The Borrower shall consult with the Bank prior to amending its Decree 79-277 dated April 4, 1979, and shall communicate, on a yearly basis, the Arrêtés d'Application established pursuant to this Decree before their coming into full force and effect.

ARTICLE V

Remedies of the Bank

Section 5.01. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified pursuant to paragraph (k) thereof:

(a) PALMINDUSTRIE shall have failed to perform any covenant, agreement or obligation of PALMINDUSTRIE under the PALMINDUSTRIE Project Agreement or the PALMINDUSTRIE Financing Agreement;

(b) PALMINDUSTRIE shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by PALMINDUSTRIE or by others, including the Borrower, whereby any of the assets of PALMINDUSTRIE or SODEPalm shall or may be distributed among their respective creditors;

(c) the Statuts of PALMINDUSTRIE shall have been amended, suspended, or abrogated in such a way as to materially and adversely affect the ability of PALMINDUSTRIE to carry out the covenants, agreements and obligations set forth in the PALMINDUSTRIE Project Agreement;

(d) PALMINDUSTRIE shall taken any action, without the prior approval of the Bank, for its termination, dissolution or winding up or shall have merged into or consolidated with any corporation;

(e) the Borrower or any other authority having jurisdiction shall have taken any action: (i) for the dissolution or
disestablishment of PALMINDUSTRIE or for the suspension of all or any substantial part of its operations; or (ii) which, in the opinion of the Bank, would adversely affect the operations or the financial condition of PALMINDUSTRIE or its ability to perform its obligations under the PALMINDUSTRIE Project Agreement;

(f) the Decree shall have been amended, suspended, abrogated, repealed or waived without the Bank's prior approval or the laws and decrees governing the organization and administration of CSSPPA shall have been amended in such a way as to materially and adversely affect the carrying out of the Project or the financial situation of PALMINDUSTRIE;

(g) a representation made by PALMINDUSTRIE in or pursuant to the PALMINDUSTRIE Project Agreement, or any statement furnished in connection therewith, and intended to be relied upon by the Bank in making the Loan, shall have been incorrect in any material respect;

(h) (i) subject to subparagraph (ii) of this paragraph:

(A) the right of PALMINDUSTRIE to withdraw the proceeds of the Second BNDA-PALMINDUSTRIE Loan made to PALMINDUSTRIE for the financing of Parts A to C of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Second BNDA-PALMINDUSTRIE Loan Agreement, or

(B) the Second BNDA-PALMINDUSTRIE Loan or any of the loans provided under the First or Second Caisse Centrale SODEPALM Loan Agreement, the FED Prêt Spécial, the BNDA-SODEPALM Loan Agreement or any loan or credit to SODEPALM having an original maturity of one year or more shall have become due and payable prior to the agreed maturity therefor, or

(C) any of the loans provided under the Caisse Centrale - PALMINDUSTRIE Loan Agreement, the EIB Loan Agreement, the First BNDA-PALMINDUSTRIE Loan Agreement or any loan or credit to PALMINDUSTRIE having an original maturity of one year or more shall have become due and payable prior to the agreed maturity therefor.
(ii) subparagraph (i) of this paragraph shall not apply if: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of PALMINDUSTRIE to perform any of its obligations under any such agreement; and (B) adequate funds for their respective parts of the project are available to PALMINDUSTRIE from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement and of PALMINDUSTRIE under the PALMINDUSTRIE Project Agreement;

(i) the First or Second Caisse Centrale SODEPALM Loan Agreement, the FED Prêt Spécial, the First or Second BNDA-SODEPALM Loan Agreement, the Caisse Centrale-PALMINDUSTRIE Loan Agreement, the EIB Loan Agreement, the First BNDA-PALMINDUSTRIE Loan Agreement, the Caisse Centrale-BNDA Loan Agreement or any other agreement providing for a loan to SODEPALM or PALMINDUSTRIE, as the case may be, having a maturity of one year or more, shall have been in any material respect terminated (other than in accordance with the terms thereof), amended, suspended, waived or assigned without the prior approval of the Bank; and

(j) an extraordinary situation shall have arisen which shall make it improbable that PALMINDUSTRIE will be able to perform its obligations under the PALMINDUSTRIE Project Agreement.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following events are specified pursuant to paragraph (h) thereof:

(a) any event specified in paragraph (a) 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 Bank to the Borrower and PALMINDUSTRIE; and

(b) any event specified in paragraphs (b), (c), (d), (e), (f), (g), (h), (i), (B) or (C), or (i) of Section 5.01 of this Agreement shall occur.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 12.01 (c) of the General Conditions:
(a) the PALMINDUSTRIE Financing Agreement has been executed on behalf of the Borrower and PALMINDUSTRIE;

(b) assurances satisfactory to the Bank have been received by the Bank with respect to the Second BNDA-PALMINDUSTRIE Loan to be extended by BNDA to SODEPAM; and

(c) the Bank shall have dispatched to the Borrower, PALMINDUSTRIE and SODEPAM notice of its acceptance of the legal opinions and other evidence referred to in Section 3.02 of the Loan Assumption and Amending Agreement.

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

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

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

Section 6.03. The date December 18, 1980, is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.04. If this Agreement shall terminate in accordance with the provisions of Section 12.04 of the General Conditions, the 1977 Loan Agreement and the 1977 Guarantee Agreement shall continue in full force and effect, as if this Agreement had not been executed.

ARTICLE VII

Representatives of the Borrower; Addresses

Section 7.01. The Ministre de l'Economie, des Finances et du Plan of the Borrower 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:

Ministère de l'Economie,
  des Finances et du Plan
Abidjan
Ivory Coast

Cable address: MINIFIN
          Telex: MINIFIN 747
          Abidjan

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
          Telex: 440098 (ITT)
          248423 (RCA) or
          64145 (WUI)

Washington, D.C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, 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 THE IVORY COAST

By

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Regional Vice President
Western Africa
SCHEDULE 1

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

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<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Preparation costs (including land clearing and access roads) for Part A of the Project</td>
<td>11,400,000</td>
<td>80%</td>
</tr>
<tr>
<td>(2) Development costs for the Plantations under Part B of the Project</td>
<td>3,800,000</td>
<td>60%</td>
</tr>
<tr>
<td>(3) Buildings, equipment and vehicles under Part C of the Project</td>
<td>3,200,000</td>
<td>100% of foreign expenditures and 65% of local expenditures</td>
</tr>
<tr>
<td>(4) Operating the Project Directorate under Part F of the Project</td>
<td>600,000</td>
<td>80%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. For the purposes of this Schedule:

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

(b) the term "local expenditures" means expenditures in the currency of the Borrower and for goods or services supplied from the territory of the Borrower.

3. The disbursement percentages have been calculated in compliance with the policy of the Bank that no proceeds of the Loan shall be disbursed on account of payments for taxes levied by, or in the territory of, the Borrower on goods or services, or on the importation, manufacture, procurement or supply thereof; to that end, if the amount of any such taxes levied on or in respect of any item to be financed out of the proceeds of the Loan decreases or increases, the Bank may, by notice to the Borrower, increase or decrease the disbursement percentage then applicable to such item as required to be consistent with the aforementioned policy of the Bank.

4. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments for expenditures prior to March 30, 1977, except that withdrawals, in an aggregate amount not exceeding the equivalent of $500,000, may be made in respect of Categories (3) and (4) on account of payments made for such expenditures before that date but after January 1, 1977.

5. Notwithstanding the allocation of an amount of the Loan or the disbursement percentages set forth in the table in paragraph 1 above, if the Bank has reasonably estimated that the amount of the Loan then allocated to any Category will be insufficient to finance the agreed percentage of all expenditures in that Category, the Bank may, by notice to the Borrower: (i) reallocate to such Category, to the extent required to meet the estimated shortfall, proceeds of the Loan which are then allocated to another Category and which in the opinion of the Bank are not needed to meet other expenditures; and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.
6. If the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in this Agreement, no expenditures for such item shall be financed out of the proceeds of the Loan and the Bank may, without in any way restricting or limiting any other right, power or remedy of the Bank under the Loan Agreement, by notice to the Borrower, cancel such amount of the Loan as, in the Bank's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Loan.
Description of the Project

The Project comprises the first three years of the four-year (1976-1979) program of the Borrower for developing, in the South-West Region of the Ivory Coast, oil palm and coconut estates and outgrowers' oil palm and coconut plantations, together with (i) the provision of ancillary facilities such as roads, buildings, vehicles and equipment, (ii) the operation of a Project Directorate and (iii) the provision of loans and extension services to outgrowers.

The Project consists of the following Parts:

**Part A:** Preparation of about 15,500 ha of land for the creation of oil palm and coconut estates.

**Part B:** Establishing of about 6,300 ha of oil palm and about 6,500 ha of coconut estates.

**Part C:** Providing infrastructure for the estates included in Parts A and B hereof, such as feeder roads, housing, social, medical and administrative buildings, store sheds, vehicles and equipment.

**Part D:** Establishment of an outgrower program of about 300 ha of coconut and oil palm plantations on land cleared by the outgrowers.

**Part E:** Provision of such outgrowers with credits in kind or cash, extension services and infrastructure, as needed for the development of their plantations.

**Part F:** Operation of the Project Directorate with authority over the Project and providing for offices, housing, vehicles, equipment and operating funds required by such Directorate.

* * *

The Project is expected to be completed by December 31, 1980.
SCHEDULE 3

Amortization Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Payment of Principal (expressed in dollars)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15 beginning April 15, 1982 through October 15, 1996</td>
<td>615,000</td>
</tr>
<tr>
<td>On April 15, 1997</td>
<td>550,000</td>
</tr>
</tbody>
</table>

* 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**

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:

<table>
<thead>
<tr>
<th>Time of Prepayment</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than three years before maturity</td>
<td>1.30%</td>
</tr>
<tr>
<td>More than three years but not more than six years before maturity</td>
<td>2.60%</td>
</tr>
<tr>
<td>More than six years but not more than eleven years before maturity</td>
<td>4.80%</td>
</tr>
<tr>
<td>More than eleven years but not more than sixteen years before maturity</td>
<td>6.95%</td>
</tr>
<tr>
<td>More than sixteen years but not more than eighteen years before maturity</td>
<td>7.85%</td>
</tr>
<tr>
<td>More than eighteen years before maturity</td>
<td>8.50%</td>
</tr>
</tbody>
</table>
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CERTIFICATE

I hereby certify that the foregoing is a true copy of the original in the archives of the International Bank for Reconstruction and Development.

In witness whereof I have signed this Certificate and affixed the Seal of the Bank thereunto this 18th day of Sept., 1980.

S. W. C.
FOR SECRETARY