# **EX/127/7/Add.1** 24 November 2005

Original: ENGLISH Distr: RESTRICTED

## **EXECUTIVE COMMITTEE**

One hundred and twenty seventh meeting London, 8-9 December 2005

## PILOT PROJECT ON PRICE-RISK MANAGEMENT FOR COCOA FARMERS

COCOA PRICE-RISK MANAGEMENT ACTIVITIES IN CÔTE D'IVOIRE

#### PILOT PROJECT ON PRICE-RISK MANAGEMENT FOR COCOA FARMERS

#### COCOA PRICE-RISK MANAGEMENT ACTIVITIES IN CÔTE D'IVOIRE

#### INTRODUCTION

- 1. At its thirty-ninth meeting held in April 2005, the Executive Board of the Common Fund for Commodities approved the "Pilot Project on Price-Risk Management for Cocoa Farmers" (reference CFC/ICCO/13FA) to be implemented in Côte d'Ivoire, with the *Bourse du Café et du Cacao* (BCC) as Project Executing Agency, under the supervision of the International Cocoa Organization (ICCO).
- 2. The pilot operations in Côte d'Ivoire will be implemented as part of the project on Price-Risk Management for Cocoa Farmers approved by the Executive Board of the Common Fund for Commodities at its twenty-ninth meeting held in April 2000.
- 3. It is proposed to implement the pilot operations in Côte d'Ivoire in five components. It is pointed out that for budgetary purposes, only Components 1 to 4 will be taken into account.
- 4. The five components described below are:
- Component 0. Preparations for the start of activities
- Component 1. Preparations for implementation of pilot operations in Côte d'Ivoire
- Component 2. Implementation of pilot operations
- Component 3. Evaluation of the results of pilot operations
- Component 4. Management, Monitoring and Supervision

#### **DESCRIPTION OF COMPONENTS AND ACTIVITIES**

#### Component 0: Preparations for the start of activities

| <b>Activity 1:</b> Initial consultations to take place between CFC and ICCO to identify potential partners willing and able to formulate proposals on the provision of training services to core BCC staff as well as to officials from co-operatives, banks and exporters, as appropriate, and other institutions in the use of price-risk instruments as well as the actual provision of instruments, including costs for co-operatives/farmers. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Activity 2.</b> CFC and ICCO will review the proposals submitted under Activity 1 above and after consultations with BCC, agree on the proposals to be offered to co-operatives/farmers.                                                                                                                                                                                                                                                        |

- □ **Activity 3.** BCC, CFC and ICCO will hold consultations and agree on the proposals for training and instruments to be offered to co-operatives/farmers.
- Activity 4. ICCO will consult with BCC, as appropriate and reformulate the proposals described above, including a work plan and budget, for implementation of pilot operations in Côte d'Ivoire.

|    | <b>Activity 5.</b> BCC will consult with ICCO as appropriate and pre-select the co-operatives, exporters and banks to participate in the activities.                                                                                                                                                                                                                                                                                                         |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Activity 6.</b> The proposals for implementation of pilot operations agreed upon by BCC and ICCO will be submitted to CFC for approval.                                                                                                                                                                                                                                                                                                                   |
|    | <b>Activity 7.</b> Exploratory meetings will be held under the guidance of BCC and ICCO, with potential participants (co-operatives/farmers, exporters and banks) in Côte d'Ivoire to present the proposal and to explain price-risk management mechanisms. During these meetings, participants will present their problems and needs and they will be given the opportunity to comment on and express their level of interest for the proposal put to them. |
|    | <b>Activity 8.</b> Meetings will be held between BCC and ICCO one the one hand, and the Government's financial regulatory bodies and Central Bank on the other hand, in order to review the legal aspects of the transfer of funds for risk management purposes and establish a clear understanding on procedures to follow.                                                                                                                                 |
| Co | emponent 1: Preparations for Implementation of Pilot Operations                                                                                                                                                                                                                                                                                                                                                                                              |
|    | <b>Activity 1:</b> BCC and ICCO will make the final selection of co-operatives and banks to participate in the activities                                                                                                                                                                                                                                                                                                                                    |
|    | <b>Activity 2.</b> On the basis of a manual, prepared for the purpose, an intensive training course will be provided by the training expert to the core BCC staff in charge of coordinating and monitoring implementation of activities. All training will be provided in the French language.                                                                                                                                                               |
|    | <b>Activity 3.</b> An adequate training course in the principles and use of price-risk instruments will be provided by the price-risk management expert to representatives from selected co-operatives, banks, exporters and national institutions.                                                                                                                                                                                                          |
|    | <b>Activity 4.</b> Meetings will be held between the training expert, the price-risk management expert, on the one hand, and local banks and exporters, on the other hand, to discuss and agree on their role in the hedging process.                                                                                                                                                                                                                        |
|    | <b>Activity 5.</b> Meetings will be held between BCC, the training expert, the price-risk management expert and the boards of the selected co-operatives in order to select the appropriate price-risk management instruments and choose the strategies that best fit their objectives. The Price-Risk management provider will arrange for French speaking staff.                                                                                           |
|    | <b>Activity 6.</b> Meetings will be held between BCC, the co-operatives, the banks and the price-risk management expert in order to review and agree on the contractual obligations of the parties involved in the hedging transactions.                                                                                                                                                                                                                     |
|    | Activity 7. Framework agreements will be signed by the relevant parties.                                                                                                                                                                                                                                                                                                                                                                                     |
|    | <b>Activity 8.</b> The training expert will produce a report on experiences encountered in the training of BCC, the co-operatives, the exporters and the banks.                                                                                                                                                                                                                                                                                              |

| Со | mponent 2: Implementations of pilot operations                                                                                                                                                                           |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Activity 1:</b> The hedging contracts will be executed during the main campaign by the relevant parties (co-operatives, banks, exporters and price-risk management provider).                                         |
|    | <b>Activity 2.</b> BCC will monitor the implementation of the hedging contracts as related to the cooperatives, the exporters and the participating banks.                                                               |
|    | <b>Activity 3.</b> BCC will also co-ordinate the implementation of the transactions, in accordance with the schedule agreed upon with the provider of risk-management services.                                          |
| Со | mponent 3: Evaluation of results of pilot operations                                                                                                                                                                     |
|    | <b>Activity 1:</b> At the end of the campaign, the provider of risk-management services will produce a report covering the process of concluding and implementing contracts.                                             |
|    | <b>Activity 2.</b> BCC will produce an evaluation report on experiences by the co-operatives, the exporters and the banks in implementing price-risk management transactions.                                            |
|    | Activity 3. ICCO and BCC will produce a comprehensive evaluation report.                                                                                                                                                 |
|    | <b>Activity 4.</b> A meeting of all participants will be organized, under the leadership of BCC, CFC and ICCO, to present and discuss the findings and experiences in the pilot operations implemented in Côte d'Ivoire. |
|    | Activity 5. BCC and ICCO will produce a joint report on the above meeting.                                                                                                                                               |
| Со | mponent 4: Management, Supervision and Monitoring                                                                                                                                                                        |
|    | Activity 1:BCC will co-ordinate activities at national level.                                                                                                                                                            |
|    | Activity 2. BCC will produce a quarterly progress report on implementation of activities.                                                                                                                                |
|    | <b>Activity 3.</b> CFC and ICCO will carry out intensive monitoring, backstopping and supervision of activities.                                                                                                         |
|    | Activity 4. BCC and CFC will arrange for an audit of accounts to be carried out.                                                                                                                                         |
|    | Activity 5. CFC and ICCO will carry out review and evaluation missions as and when necessary.                                                                                                                            |

Page 4

#### **BUDGET AND FINANCING OF THE PILOT OPERATIONS**

| 5.<br>pro | The total budget of implementing activities amounts to US\$345,597, as detailed in Annex I to the resent document. The estimated costs of the different components are: |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | ☐ Component 1: US\$100,947                                                                                                                                              |
|           | □ Component 2: US\$74,130                                                                                                                                               |
|           | □ Component 3: US\$54,075                                                                                                                                               |
|           | ☐ Component 4: US\$116,445                                                                                                                                              |
| 6.        | The total budget is proposed to be financed as follows:                                                                                                                 |
|           | ☐ Common Fund for Commodities: US\$250,572                                                                                                                              |
|           | □ BCC: US\$84,525                                                                                                                                                       |
|           | □ ICCO: US\$10,500                                                                                                                                                      |

7. In the budget, the direct costs of the price-risk instruments (the hedging costs) are not taken into account as they have to be paid for separately by the co-operatives.

#### PRICE-RISK MANAGEMENT INSTRUMENTS TO BE OFFERED

- 8. Reviewing the possible instruments, which could be offered to co-operatives in these operations, it appears that "put options" and "participatory options" are the only possibilities available in practice. Theoretically, forward sales, futures contracts and fences or collars could be considered. In practice, however, forward sales are not suitable in this case, because the co-operatives/farmers would forego any benefits from an increase in prices; and the co-operatives would also take an unlimited financial risk (possibly having to buy cocoa at very high prices). Futures contracts have, basically, the same disadvantages as forward sales. Fences or collars are combination options programmes. The hedging producers again face unlimited financial risk and would forego most of the opportunity to benefit should cocoa prices rise.
- 9. Put options give the co-operative/farmers the right to sell their cocoa at a pre-determined price. It is the most commonly offered instrument for hedging of Price-Risk for (groups of) farmers. With the put option, the hedger does not face unlimited financial risk. In this sense, the put option is better than forwards, futures and fences. The hedger also benefits fully from price increases (after recovery of the cost of the put option). However, a co-operative has to pay cash up-front for the buying of a put. A suitable put option position for cocoa could presently cost the co-operative US\$100 per tonne, in terms of the premium for such a hedge. This constitutes a serious hurdle for the use of this Price-Risk management instrument.
- 10. Another possible way of hedging is using so-called "participatory options", which use a variety of strategies to emulate put options in terms of their price consequences, while removing the need to pay cash up-front for the options to be established. The most common approach for use in such a strategy is for the co-operative/farmers to buy a put option and pay for it with a call spread. Other modalities are possible.

11. Participatory options carry a limited, pre-determined risk which is known at the time the hedge is accepted. They require minimal margin deposits. A "premium" is only due when prices increase and is "paid" by foregoing the first part of the price increase. For the latter reason, there is a reduced risk of non-performance. This counterparty risk can be provided for on a case-by-case basis: through a local bank, through an exporter or, eventually, through an institution covering for the payment of the premium to be paid in the case of an increase in price.

#### ORGANIZATION, MANAGEMENT AND IMPLEMENTATION OF THE PILOT OPERATIONS

- 12. The *Bourse du Café et du Cacao* (BCC) in Côte d'Ivoire will be the Implementing Agency, providing overall administrative and financial management. The pilot operations will be implemented in liaison with ICCO. A provider of risk-management services will handle the risk-management transactions of the participating co-operatives and traders through local banks, as appropriate. Depending on the combination agreed upon, the same provider of risk-management services will provide the training to participants. Alternatively, a different expert will be drafted in to provide the training services. A time schedule for implementation is provided in Annex II.
- 13. It is envisaged that six co-operatives will participate in the pilot operations. The volume of transactions aimed at is between 2,000 and 3,000 tonnes. The BCC will make a pre-selection of the participating co-operatives, based on their prevailing evaluation system, while the final selection will be done in co-operation with the ICCO. The BCC will be in frequent contact with the participating co-operatives, exporters and banks. It will receive reports from the provider of the risk management services on each transaction to manage Price-Risks. The service provider will also file monthly analytical reports of the transactions taking place. BCC will report at least once a quarter to ICCO.
- 14. The envisaged duration of the pilot operations is 15 months to allow the implementation during one full main cocoa campaign. The implementation will be preceded by a selection of the Price-Risk management instruments to be tested and by the training of participants. After the initial period of implementation of the pilot scheme and provided this is deemed acceptable, the results of the pilot operations will be rolled out to Cameroon and to Nigeria.

#### MONITORING AND SUPERVISION

15. The International Cocoa Organization (ICCO) will be the Supervisory Body for the pilot scheme. As the pilot scheme is of a commercial character with many transactions involving considerable amounts of money, such supervision will be intensive. This will be done on the basis of reports from BCC, the Provider of Risk-Management Services and the Provider of the Training, as required, as well as through supervisory missions. A review of the pilot scheme, to be conducted by CFC, ICCO and BCC, in co-operation with all participants, is scheduled at the end of implementation of the pilot operations.

|                   | COCOA         | PRICE-RISK MANAGEN                                                                                                       | MENT A       | ACTIVI     | TIES IN    | I CÔTE I  | <b>D'IVOIRE</b> |                    |                        | 1            | ANNEX      |      |
|-------------------|---------------|--------------------------------------------------------------------------------------------------------------------------|--------------|------------|------------|-----------|-----------------|--------------------|------------------------|--------------|------------|------|
| DETAIL            | ED CO         | ST TABLE                                                                                                                 |              |            |            |           |                 |                    |                        |              |            |      |
|                   |               |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            | +    |
| Project Code:     |               |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            | +    |
| Commodity:        | Cocoa         |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            | +    |
| Location:         | Côte d'Ivoire |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            | +    |
| All figures are i | n US\$        |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            | +    |
|                   |               | Preparations for implement                                                                                               | ation of the | activities |            |           |                 |                    |                        | Financi      | ng sources |      |
| Component         | Category      | · · · · ·                                                                                                                | Unit         | Quantity   | Unit price | Base cost | Contingency     | Contingency amount | Total inc. Contingency | CFC          | BCC        | ICCO |
|                   |               |                                                                                                                          |              |            | 1          |           |                 |                    | 3,                     |              |            |      |
|                   |               |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            |      |
|                   | V             | Technical Assistance & Consultancy                                                                                       |              |            |            |           |                 |                    |                        |              |            |      |
| 1                 | V             | Fees for provider of risk management services                                                                            | man/day      | 24         | 1 000      | 24 000    | 0               | 1 200              | 25 200                 | 25 200       |            |      |
| 1                 | V             | Fees for provider of training in risk management                                                                         | man/day      | 30         | 1 000      | 30 000    | 0               | 1 500              | 31 500                 | 31 500       |            |      |
| 1                 | VI            | Duty Travel                                                                                                              |              |            |            |           | _               |                    |                        |              |            |      |
| 1                 | VI            | Travel costs for the Risk Management Expert                                                                              | ticket       | 2          | 5 000      | 10 000    | 0               | 500                | 10 500                 | 10 500       |            |      |
| 1                 | VI            | Subsistence                                                                                                              | DSA          | 24         | 200        | 4 800     | 0               | 240                | 5 040                  | 5 040        |            |      |
| 1                 | VI            | Travel costs for the training expert                                                                                     | ticket       | 2          | 5 000      | 10 000    | 0               | 500                | 10 500                 | 10 500       |            |      |
| 1                 | VI            | Subsistence                                                                                                              | DSA          | 25         | 200        | 5 000     | 0               | 250                | 5 250                  | 5 250        |            |      |
| 1                 | VI            | Travel costs for ICCO staff                                                                                              | ticket       | 1          | 2 500      | 2 500     | 0               | 125                | 2 625                  | 2 625        |            |      |
| 1                 | VI            | Subsistence                                                                                                              | DSA          | 7          | 200        | 1 400     | 0               | 70                 | 1 470                  | 1 470        |            |      |
|                   | VIII          | Operational Costs                                                                                                        |              |            |            |           |                 |                    |                        |              |            |      |
| 1                 | VIII          | Logistics for provision of training to co-operatives, banks, etc., in the use of price-risk instruments                  | lumpsum      |            |            | 5 000     | 0               | 250                | 5 250                  | 5 250        |            |      |
| 1                 | VIII          | Per diem for selected project participants (18 representatives from co-operatives) attending 4 days of training sessions | man/day      | 72         | 20         | 1 440     | 0               | 72                 | 1 512                  | 1 512        |            |      |
| 1                 | VIII          | Meetings to select project participants, choose<br>price-risk instruments and sign contracts                             | lumpsum      |            |            | 1 000     | 0               | 50                 | 1 050                  | 1 050        |            |      |
| 1                 | VIII          | Production of manuals                                                                                                    | lumpsum      |            |            | 1 000     | 0               | 50                 | 1 050                  | 1 050        |            |      |
|                   |               | Subtotal Component 1                                                                                                     |              |            |            | 95 140    |                 | 4 757              | 100 947                | 100 947      |            |      |
|                   |               |                                                                                                                          |              |            |            |           |                 |                    |                        |              |            |      |
|                   |               | Implemention of pilot operations in Côte d'Ivoi                                                                          |              |            |            |           |                 |                    |                        | Financing so |            |      |
| Component         | Category      |                                                                                                                          | Unit         | Quantity   | Unit price | Base cost | Contingency     | Contingency amount | Total inc. Contingency | CFC          | BCC        | ICCO |
| 2                 | V             | Technical Assistance & Consultancy                                                                                       |              |            |            | 1         |                 |                    |                        |              |            | -    |
| 2                 | V             | lecnnical Assistance & Consultancy                                                                                       |              |            |            |           |                 |                    |                        |              |            |      |

| Component | Category |                                                                  | Unit     | Quantity | Unit price | Base cost | Contingency | Contingency amount | Total inc. Contingency | CFC       | BCC     | ICCO   |
|-----------|----------|------------------------------------------------------------------|----------|----------|------------|-----------|-------------|--------------------|------------------------|-----------|---------|--------|
| <u> </u>  |          |                                                                  |          |          | <u> </u>   |           |             | , ,                |                        |           |         | +      |
| 3         | v        | Technical Assistance and Consultancy                             |          |          |            |           |             |                    |                        |           |         |        |
| 3         | V        | Fees for Training expert                                         | \$/month | 5        | 1 000      | 5 000     | 0           | 250                | 5 250                  | 5 250     |         |        |
| 3         | V        | Fees for Risk Management expert                                  | \$/month | 5        | 1 000      | 5 000     | 0           | 250                | 5 250                  | 5 250     |         |        |
| 3         | VI       | Duty Travel                                                      |          |          |            |           |             |                    |                        |           |         |        |
| 3         | VI       | Travel costs for the Risk Management Expert                      | ticket   | 1        | 5 000      | 5 000     | 0           | 250                | 5 250                  | 5 250     |         |        |
| 3         | VI       | Subsistence                                                      | DSA      | 5        | 200        | 1 000     | 0           | 50                 | 1 050                  | 1 050     |         | -      |
| 3         | VI       | Travel costs for Training expert                                 | ticket   | 1        | 5 000      | 5 000     | 0           | 250                | 5 250                  | 5 250     |         |        |
| 3         | VI       | Subsistence                                                      | DSA      | 5        | 200        | 1 000     | 0           | 50                 | 1 050                  | 1 050     |         |        |
| 3         | VI       | Travel costs for CFC staff                                       | ticket   | 1        | 2 500      | 2 500     | 0           | 125                | 2 625                  | 2 625     |         |        |
| 3         | VI       | Subsistence                                                      | DSA      | 5        | 200        | 1 000     | 0           | 50                 | 1 050                  | 1 050     |         |        |
| 3         | VI       | Travel costs for ICCO staff                                      | ticket   | 1        | 2 500      | 2 500     | 0           | 125                | 2 625                  | 2 625     |         |        |
| 3         | VI       | Subsistence                                                      | DSA      | 5        | 200        | 1 000     | 0           | 50                 | 1 050                  | 1 050     |         |        |
| 3         | VII      | Evaluation                                                       |          |          |            |           |             |                    |                        |           |         |        |
| 3         | VII      | Organization of completion meeting                               | lumpsum  |          |            | 12 500    | 0           | 625                | 13 125                 |           | 13 125  |        |
| 3         | VII      | Production of project reports in four languages for ICCO Council | lumpsum  |          |            | 10 000    | 0           | 500                | 10 500                 |           |         | 10 500 |
|           |          | Subtotal Component 3                                             |          |          |            | 51 500    | 1           | 2 575              | 54 075                 | 30 450    | 13 125  | 10 500 |
|           |          | Management, Monitoring and Supervision                           |          |          |            |           |             |                    |                        | Financing | sources |        |
|           | 1        | 1                                                                | 1        |          | 1          | 1         |             | I                  |                        |           |         | 1      |

| 4                                                                                                         | l IV                                                                                                               | Personnel                                                                                                                                                                                                                                                | 1                                                                          |                                           |                                                            |                                                     |     |                     |            |         |        |        |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|-----|---------------------|------------|---------|--------|--------|
| 4                                                                                                         |                                                                                                                    |                                                                                                                                                                                                                                                          | man/month                                                                  | 15                                        | 1 400                                                      | 21 000                                              | 0   | 1 050               | 22 050     |         | 22 050 |        |
| =                                                                                                         | IV                                                                                                                 | Coordinator BCC (20% part-time)                                                                                                                                                                                                                          |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
| 4                                                                                                         | IV                                                                                                                 | Monitoring Officer (50% part-time)                                                                                                                                                                                                                       | man/month                                                                  | 15                                        | 2 500                                                      | 37 500                                              | 0   | 1 875               | 39 375     |         | 39 375 |        |
| 4                                                                                                         | IV                                                                                                                 | Allowance Coordinator BCC                                                                                                                                                                                                                                | man/month                                                                  | 15                                        | 500                                                        | 7 500                                               | 0   | 375                 | 7 875      | 7 875   |        |        |
| 4                                                                                                         | IV                                                                                                                 | Allowance Monitoring Officer                                                                                                                                                                                                                             | man/month                                                                  | 15                                        | 300                                                        | 4 500                                               | 0   | 225                 | 4 725      | 4 725   | ı      |        |
| 4                                                                                                         | VI                                                                                                                 | Duty Travel                                                                                                                                                                                                                                              |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
| 4                                                                                                         | VI                                                                                                                 | Travel costs for BCC staff                                                                                                                                                                                                                               | lumpsum                                                                    | 6                                         | 500                                                        | 3 000                                               | 0   | 150                 | 3 150      | 3 150   |        |        |
| 4                                                                                                         | VI                                                                                                                 | Subsistence                                                                                                                                                                                                                                              | DSA                                                                        | 60                                        | 100                                                        | 6 000                                               | 0   | 300                 | 6 300      | 6 300   |        |        |
| 4                                                                                                         | VIII                                                                                                               | Operational Costs                                                                                                                                                                                                                                        |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
| 4                                                                                                         | VIII                                                                                                               | Running and maintenance costs vehicle                                                                                                                                                                                                                    | month                                                                      | 15                                        | 1 000                                                      | 15 000                                              | 0   | 750                 | 15 750     | 15 750  |        |        |
| 4                                                                                                         | VIII                                                                                                               | Office Operations Costs                                                                                                                                                                                                                                  | month                                                                      | 15                                        | 500                                                        | 7 500                                               | 0   | 375                 | 7 875      |         | 7 875  |        |
| 4                                                                                                         | VIII                                                                                                               | Audit                                                                                                                                                                                                                                                    | lumpsum                                                                    |                                           |                                                            | 3 000                                               | 0   | 150                 | 3 150      | 3 150   |        |        |
| 4                                                                                                         | VIII                                                                                                               | Production by PEA, of a Project Completion<br>Report                                                                                                                                                                                                     | lumpsum                                                                    |                                           |                                                            | 2 000                                               | 0   | 100                 | 2 100      |         | 2 100  |        |
| 4                                                                                                         | VIII                                                                                                               | ICCO supervision mission                                                                                                                                                                                                                                 | Ticket                                                                     | 1                                         | 2 500                                                      | 2 500                                               | 0   | 125                 | 2 625      | 2 625   |        |        |
| 4                                                                                                         | VIII                                                                                                               | ICCO supervision mission                                                                                                                                                                                                                                 | DSA                                                                        | 7                                         | 200                                                        | 1 400                                               | 0   | 70                  | 1 470      | 1 470   |        |        |
|                                                                                                           |                                                                                                                    | Subtotal Component 4                                                                                                                                                                                                                                     |                                                                            |                                           |                                                            | 110 900                                             |     | 5 545               | 116 445    | 45 045  | 71 400 |        |
|                                                                                                           |                                                                                                                    | Oubtotal Component 4                                                                                                                                                                                                                                     |                                                                            |                                           |                                                            | 110 300                                             |     | 3 343               | 110 443    | 43 043  | 71400  |        |
|                                                                                                           |                                                                                                                    | Total Cost of Activities                                                                                                                                                                                                                                 |                                                                            |                                           |                                                            | 328 140                                             |     | 16 407              | 345 597    | 250 572 | 84 525 | 10 500 |
|                                                                                                           |                                                                                                                    |                                                                                                                                                                                                                                                          |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
| EXPLAN                                                                                                    | ATORY N                                                                                                            | NOTES ON THE BUDGET                                                                                                                                                                                                                                      |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
|                                                                                                           |                                                                                                                    |                                                                                                                                                                                                                                                          |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
|                                                                                                           |                                                                                                                    |                                                                                                                                                                                                                                                          |                                                                            |                                           |                                                            |                                                     |     |                     |            |         |        |        |
| Compone                                                                                                   | ent 1: Pr                                                                                                          | eparations for implementatio                                                                                                                                                                                                                             | n of the                                                                   | project                                   |                                                            |                                                     |     |                     |            |         |        |        |
| It is anticipa                                                                                            | ated that the                                                                                                      | Provider of Training Services (PTS) w                                                                                                                                                                                                                    | ill receive fe                                                             | es for a                                  | otal of 30 d                                               |                                                     |     |                     |            |         |        |        |
| It is anticipa This include                                                                               | ated that the                                                                                                      | Provider of Training Services (PTS) wr preparation of manuals and a final re                                                                                                                                                                             | ill receive fe                                                             | es for a                                  | otal of 30 d                                               |                                                     |     |                     |            |         |        |        |
| It is anticipa<br>This include<br>The 30 days                                                             | ated that the<br>es 5 days fo<br>s are split a                                                                     | Provider of Training Services (PTS) wr preparation of manuals and a final rest follows:                                                                                                                                                                  | ill receive fe                                                             | ees for a t                               | otal of 30 d                                               | tay in Abidjan.                                     |     |                     |            |         |        |        |
| It is anticipa<br>This include<br>The 30 days<br>4 days to p                                              | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 ma                                                     | Provider of Training Services (PTS) w<br>r preparation of manuals and a final re<br>s follows:<br>anuals for BCC and for the co-operative                                                                                                                | ill receive fe<br>port and 25<br>es; 1 day fo                              | ees for a days for days for days for days | total of 30 d<br>travel and stations by em                 | tay in Abidjan. ail with the Pro                    |     | k-Management Servic | ces (PRMS) |         |        |        |
| It is anticipa<br>This include<br>The 30 days<br>4 days to p                                              | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 ma                                                     | Provider of Training Services (PTS) wr preparation of manuals and a final rest follows:                                                                                                                                                                  | ill receive fe<br>port and 25<br>es; 1 day fo                              | ees for a days for days for days for days | total of 30 d<br>travel and stations by em                 | tay in Abidjan. ail with the Pro                    |     | k-Management Servic | es (PRMS)  |         |        |        |
| It is anticipa<br>This include<br>The 30 days<br>4 days to p<br>3 days for tr                             | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 ma<br>raining of th                                    | Provider of Training Services (PTS) w<br>r preparation of manuals and a final re<br>s follows:<br>anuals for BCC and for the co-operative                                                                                                                | ill receive fe<br>port and 25<br>es; 1 day fo<br>the co-oper               | ees for a fidays for fronsultaratives, ba | otal of 30 d<br>travel and si<br>ations by emanks, exporte | tay in Abidjan.  nail with the Proess and instituti | ons | •                   |            |         |        |        |
| It is anticipa This include The 30 days 4 days to p 3 days for tr 2 days for m                            | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 ma<br>raining of th<br>neetings wit                    | Provider of Training Services (PTS) we represent the properties of manuals and a final rest of sollows:  anuals for BCC and for the co-operative core BCC staff; 4 days for training of                                                                  | ill receive fe<br>port and 25<br>es; 1 day fo<br>the co-oper               | ees for a fidays for fronsultaratives, ba | otal of 30 d<br>travel and si<br>ations by emanks, exporte | tay in Abidjan.  nail with the Proess and instituti | ons | •                   |            |         |        |        |
| It is anticipa This include The 30 days 4 days to p 3 days for tr 2 days for m 1 day for the              | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 maraining of th<br>meetings with                       | Provider of Training Services (PTS) we represent of manuals and a final rest of sollows:  anuals for BCC and for the co-operative ecore BCC staff; 4 days for training of the local banks; 2 days for meetinfs with ton training and 3 days for travel;  | ill receive fe<br>port and 25<br>es; 1 day fo<br>the co-oper               | ees for a fidays for fronsultaratives, ba | otal of 30 d<br>travel and si<br>ations by emanks, exporte | tay in Abidjan.  nail with the Proess and instituti | ons | •                   |            |         |        |        |
| It is anticipa This include The 30 days 4 days to p 3 days for tr 2 days for m 1 day for the 6 bridge day | ated that the<br>es 5 days fo<br>s are split a<br>prepare 2 ma<br>raining of th<br>neetings with<br>e final report | Provider of Training Services (PTS) were preparation of manuals and a final reposition of preparation of manuals and a final reposition of services of the co-operative core BCC staff; 4 days for training of the local banks; 2 days for meetinfs with | ill receive fe<br>cort and 25<br>es; 1 day fo<br>the co-oper<br>exporters; | ees for a fidays for fronsultaratives, ba | otal of 30 d<br>travel and si<br>ations by emanks, exporte | tay in Abidjan.  nail with the Proess and instituti | ons | •                   |            |         |        |        |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         | , | J |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|---------------------|-----------------|-------------------------|------------------------------|---------|---|---|
| 1 day for consultations with the PTS; 3 days as Consultant/Observer in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | the training | g sessions; 2   | days for me         | etings with lo  | cal banks;              |                              |         |   |   |
| 6 days for meetings with individual coops; 4 days for a review of contra                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ctual obliga | itions; 2 days  | s for signatur      | re of contracts | s; 6 bridge days        | 1                            |         |   |   |
| His fees are estimated at US\$1,000 per day, giving a total of \$24,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |                 |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              | 1               |                     |                 |                         |                              |         |   |   |
| The PRMS, PTS and one ICCO staff are expected to travel to Côte d'Iv                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | oire to pred | pare impleme    | entation of pi      | lot operations  | <u>.</u><br>S.          |                              |         |   |   |
| Their travel costs and subsistence allowance are allocated above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |                 |                     |                 |                         |                              |         |   |   |
| The ICCO staff is expected to spend 7 days in this respect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              | 1               |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              | +               |                     |                 |                         |                              |         |   |   |
| A budget line of \$5,000 is allocated to logistical expenses related to hir                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ing a venue  | and covering    | ng miscellane       | eous expense    | s of the persons partic | pipating in the training pro | gramme. |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Ť            | 1               | Ĭ                   |                 | <u> </u>                |                              | Ĭ       |   |   |
| It is proposed to invite 35 to 40 people to participate in the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                 |                     |                 |                         |                              |         |   |   |
| training sessions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |                 |                     |                 |                         |                              |         |   |   |
| This includes 18 representatives from 6 co-operatives; 5 banks with 2 r                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | eps each; 7  | to 12 other     | participants        |                 |                         |                              |         |   |   |
| to be determined                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1            | 1               | I                   |                 |                         |                              |         |   |   |
| The reps from coops will receive \$20 per diem to cover their travel and other expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |              |                 |                     |                 |                         |                              |         |   |   |
| Other expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                 |                     |                 |                         |                              |         |   |   |
| A budget line of \$1,000 is allocated to logistical expenses related to the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | meeting to   | select proje    | ı<br>ect participan | ıts. choose pr  | ice-risk instruments    |                              |         |   |   |
| and sign contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |                 |                     | , энгэээ р      |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
| A budget line of \$1,000 is allocated to the production by the training ex                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | pert, and m  | ultiplication o | of manuals o        | n the use of    |                         |                              |         |   |   |
| price-risk instruments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1            | 1               | ı                   | T               |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
| The subtotal for Component 1 is estmated at \$100,94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 7 (includ    | ling 5% c       | ontingend           | cies) entire    | ely funded by           |                              |         |   |   |
| CFC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                 |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
| Component 2: Implementation of pilot operation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ns in Cô     | te d'Ivoire     |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     |                 |                         |                              |         |   |   |
| A budget of \$50,000 is allocated as fees for the PRMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |                 |                     |                 |                         |                              |         |   |   |
| The budget of \$60,000 to allocated as 1000 for the France                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                 |                     |                 |                         |                              |         |   |   |
| TI - PRM9 1000 " 1 050 " 1 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 | 000          |                 |                     |                 |                         |                              |         |   |   |
| The PRMS, one ICCO staff and one CFC staff are expected to travel to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Cote d'Ivo   | ire auring im   | piementation        | or pilot oper   | ations.                 |                              |         |   |   |
| Their travel costs and subsistence allowance are allocated above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1            | (L - DDMO :     |                     |                 |                         |                              |         |   |   |
| The ICCO and CFC staff are expected to spend 7 days each in Côte d'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Ivoire while | the PRIVIS I    | s expected to       | o spena 14 a:   | ays.                    |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1            | <u> </u>        |                     |                 |                         |                              |         |   |   |
| The subtotal for Component 2 is estimated at \$74,130                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ) (includi   | ing 5% co       | ontingenc           | ies) entire     | ly funded by            |                              |         |   |   |
| CFC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                 |                     |                 | -                       |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              | 1               |                     |                 |                         |                              |         |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                 |                     | _               |                         |                              |         |   |   |
| Component 3: Evaluation of results of pilot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |                 |                     |                 |                         |                              |         |   |   |

| operatio            | ns             |                                              |               |             |                         |               |                 |                     |                      |                   |              | Ī                                                |
|---------------------|----------------|----------------------------------------------|---------------|-------------|-------------------------|---------------|-----------------|---------------------|----------------------|-------------------|--------------|--------------------------------------------------|
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              | +                                                |
| A budget o          | f \$5,000 is a | llocated as fees for the PTS                 |               |             |                         |               |                 |                     |                      |                   |              | -                                                |
| A budget o          | f \$5,000 is a | llocated as fees for the PRMS                |               |             |                         |               |                 |                     |                      |                   |              | 1                                                |
|                     | 1              |                                              |               |             |                         |               |                 |                     |                      |                   |              | +                                                |
| At the end          | of pilot opera | I<br>ations, it is planned to hold an evalua | tion session. |             |                         |               |                 |                     |                      |                   |              | <del>                                     </del> |
|                     |                | ne ICCO staff and one CFC staff are          |               |             | Côte d'Ivoire           | for an evalu  | lation of the r | oilot operation     |                      |                   |              | +                                                |
|                     |                | subsistence allowance are allocated a        |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| All above a         | re allocated   | 5 days each of travel allowance in C         | ôte d'Ivoire  | l           |                         |               |                 |                     |                      |                   |              |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| A budget o          | f \$13,125 is  | set aside to fund the organization of        | a completion  | meeting     | during which            | the results   | of the pilot o  | perations will be   | discussed.           | •                 | •            |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| The sub             | total for C    | Component 3 is estimated at                  | \$54,075      | (includi    | ng contii               | ngencies      | funded b        | y CFC for \$3       | 0,450, by BCC        | for \$13,125 an   | d by ICCO fo | or                                               |
| \$10,500.           |                |                                              | , , , , .     | •           | 5                       | J             | ,               | ,                   | -,,,                 | , ,               |              |                                                  |
| · · ·               |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| Compor              | ent 4: Pro     | oject Management, Monitori                   | ng and        | I           |                         |               |                 |                     |                      |                   |              |                                                  |
| Supervis            |                | ,                                            | •             |             |                         |               |                 |                     |                      |                   |              |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| -                   |                | m BCC will work part-time and comm           |               |             |                         | he proportion | n of his salar  | ry for that time is | estimated at \$1,400 | per month over 15 | months       |                                                  |
| -                   |                | \$500 over 15 months is set aside for        | •             |             |                         |               |                 |                     |                      |                   |              |                                                  |
| A monthly           | allowance of   | \$300 over 15 months is set aside for        | the Project   | Officer fro | m BCC                   |               |                 |                     |                      |                   |              |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| Provision is        | s made for B   | CC staff to undertake 6 trips of 10 da       | ys each upc   | country to  | visit coops o           | during imple  | mentation       | •                   | 1                    |                   |              |                                                  |
|                     |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| An allowan          | ce of \$15,00  | 0 is set aside for the running, insurar      | ice and mair  | ntenance o  | costs of the            | vehicle       | ı               |                     |                      |                   |              |                                                  |
| A monthly           | budget of \$5  | 00 is set aside to cover office operati      | onal costs    |             |                         |               |                 |                     |                      |                   |              |                                                  |
| A budget o          | f \$3,000 is s | et aside to carry out an audit of proje      | ct accounts   |             |                         |               |                 |                     |                      |                   |              | +                                                |
| A budget o          | f \$2,000 is s | et aside for BCC to produce a Project        | t Completion  | Report      |                         |               |                 |                     |                      |                   |              | +                                                |
| <u> </u>            | 1              | , , , , , , , , , , , , , , , , , , , ,      |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
| The sub             | total for (    | Component 4 is set at \$116,4                | 145 (inclu    | iding co    | ntingeno                | ias) fund     | ed by CEC       | ? for \$45 045      | and by BCC fe        | or                |              | <del>                                     </del> |
| \$71,400.           | total lol (    |                                              | tto (iiiciu   | unig co     | niiiig <del>e</del> iic | ies, iuliu    | ed by OF        | J 101 940,040       | and by BCC it        |                   |              |                                                  |
| ψ. 1, 1 <b>00</b> 1 |                |                                              |               |             |                         |               |                 |                     |                      |                   |              |                                                  |
|                     | +              |                                              |               |             |                         |               |                 |                     |                      |                   |              | +                                                |
|                     |                |                                              |               |             |                         |               |                 | 1                   |                      |                   |              | 1                                                |

|         | OTAL BUDGET OF TH<br>LLOWS: |  |  |  |  |  |
|---------|-----------------------------|--|--|--|--|--|
| CFC: \$ | 250,572                     |  |  |  |  |  |
| BCC: \$ | 84,525                      |  |  |  |  |  |
| ICCO: S | \$10,500                    |  |  |  |  |  |
|         |                             |  |  |  |  |  |
|         |                             |  |  |  |  |  |

#### ANNEX II

# **SCHEDULE OF IMPLEMENTATION**

|                                                        |                                                                                                                                               |                                                                      |    |     |    |    |     |    |    | YEA | AR |    |      |    |           |     |    |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----|-----|----|----|-----|----|----|-----|----|----|------|----|-----------|-----|----|
|                                                        | COMPONENTS                                                                                                                                    | IMPLEMENTING<br>AGENT(S)                                             | (  | QTR | 1  | (  | )TR | 2  |    | QTR | 3  | (  | )TR4 | 1  | Q         | TR5 | ;  |
|                                                        | COMPONENTS                                                                                                                                    |                                                                      | M1 | M2  | М3 | M1 | M2  | М3 | M1 | M2  | М3 | M1 | M2   | М3 | <b>M1</b> | M2  | М3 |
| Component 0. PREPARATIONS FOR THE START OF THE PROJECT |                                                                                                                                               |                                                                      |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 1.                                                     | Formulation of proposals on training and on the use of (types of) price-risk management instruments, including costs for cooperatives/farmers | Provider of training and/or<br>of risk management<br>services (PRMS) |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 2.                                                     | Review of proposals submitted under 1 above                                                                                                   | CFC and ICCO                                                         |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 3.                                                     | Consultations and agreement on proposals for training and instruments to be offered to co-operatives/farmers                                  | BCC, CFC, ICCO                                                       |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 4.                                                     | Formulation of proposals, including work plan and budget for implementation of pilot operations in Côte d'Ivoire                              | ICCO, in consultation with BCC                                       |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 5.                                                     | Pre-selection of co-operatives and banks to possibly (if interested) participate in the pilot operations; pre-select exporters to be briefed  | BCC in consultation with ICCO                                        |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |
| 6.                                                     | Approval of proposal for implementation of the pilot operations in Côte d'Ivoire                                                              | CFC                                                                  |    |     |    |    |     |    |    |     |    |    |      |    |           |     |    |

|     |                                                                                                                                                                                                                                                                                                                                                        |                                                     |     |     |    |    |     |    |    | YEA | \R |    |      |    |    |      |    |  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----|-----|----|----|-----|----|----|-----|----|----|------|----|----|------|----|--|
|     | COMPONENTS                                                                                                                                                                                                                                                                                                                                             | IMPLEMENTING<br>AGENT(S)                            | (   | QTR | 1  | (  | QTR | 2  | (  | )TR | 3  | (  | QTR4 | 4  | (  | QTR: | 5  |  |
|     |                                                                                                                                                                                                                                                                                                                                                        |                                                     | M1  | M2  | М3 | M1 | M2  | М3 | M1 | M2  | М3 | M1 | M2   | М3 | M1 | M2   | М3 |  |
| 7.  | Exploratory meetings with potential project participants (co-operatives/farmers, exporters and banks) in Côte d'Ivoire to present project proposal, to explain price-risk management mechanisms and record comments and observations; meetings also to define the problems and needs of stakeholders and to assess their interest in the pilot project | BCC and ICCO                                        |     |     |    |    |     |    |    |     |    |    |      |    |    |      |    |  |
| 8.  | Meeting with government's financial regulatory<br>bodies and Central Bank in order to review the<br>legal aspects of transfer of funds for risk<br>management purposes and establish clear<br>understanding on procedures to follow                                                                                                                    | BCC in consultation with ICCO                       |     |     |    |    |     |    |    |     |    |    |      |    |    |      |    |  |
| Con | nponent 1. PREPARATIONS FOR IMPLEMEN                                                                                                                                                                                                                                                                                                                   | TATION OF PILOT OPE                                 | RAT | ION | IS |    |     |    |    |     |    |    |      |    |    |      |    |  |
| 1.  | Selection of co-operatives and banks to participate in the project                                                                                                                                                                                                                                                                                     | BCC, in consultation with ICCO                      |     |     |    |    |     |    |    |     |    |    |      |    |    |      |    |  |
| 2.  | Provision of an intensive training course for core BCC staff with the use of a manual                                                                                                                                                                                                                                                                  | Trainer, in consultation with the PRMS if different |     |     |    |    |     |    |    |     |    |    |      |    |    |      |    |  |
| 3.  | Provide adequate training in the principles and use of price-risk management for staff of participating co-operatives, banks, exporters(as required) and selected national institutions, on the basis of a manual                                                                                                                                      | Trainer, in consultation with the PRMS if different |     |     |    |    |     |    |    |     |    |    |      |    |    |      |    |  |

|            |                                                                                                                                                         |                                   |  |      |    |      |    |    |      | YEA | R  |      |    |    |      |    |    |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--|------|----|------|----|----|------|-----|----|------|----|----|------|----|----|
| COMPONENTS |                                                                                                                                                         | IMPLEMENTING<br>AGENT(S)          |  | QTR1 |    | QTR2 |    |    | QTR3 |     | 3  | QTR4 |    |    | QTR5 |    |    |
|            |                                                                                                                                                         |                                   |  | M2   | М3 | M1   | M2 | М3 | M1   | M2  | М3 | M1   | M2 | М3 | M1   | M2 | M3 |
| 4.         | Meetings with local banks and exporters, as required, on their role in the hedging process                                                              | PRMS, Trainer                     |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 5.         | Meetings with (Boards of) individual co-<br>operatives to select Price-Risk Management<br>instruments and choose strategies fitting their<br>objectives | Co-operatives, PRMS, Trainer, BCC |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 6.         | Review of and agreement on contractual obligations of the parties involved in the hedging transaction                                                   | Co-operatives, PRMS, Banks, BCC   |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 7.         | Signature of framework agreement, as required                                                                                                           | Co-operatives, PRMS               |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 8.         | Report by trainer on experiences with the training of BCC, co-operatives, exporters and banks                                                           | Trainer                           |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| Con        | Component 2. IMPLEMENTATION OF PILOT OPERATIONS                                                                                                         |                                   |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 1.         | Execution of concrete hedging contracts during one main campaign                                                                                        | Co-operatives, Banks PRMS, BCC    |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 2.         | Supervision and monitoring of implementation of the concluded hedging contracts, as related to the co-operatives and the participating banks            | всс,                              |  |      |    |      |    |    |      |     |    |      |    |    |      |    |    |

|            |                                                                                                                                                            |                          | YEAR |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------|----|----|------|----|----|----|------|----|------|----|----|------|----|----|
| COMPONENTS |                                                                                                                                                            | IMPLEMENTING<br>AGENT(S) | QTR1 |    |    | QTR2 |    |    | (  | QTR3 |    | QTR4 |    | 4  | QTR5 |    | 5  |
|            |                                                                                                                                                            |                          | M1   | M2 | М3 | M1   | M2 | М3 | M1 | M2   | М3 | M1   | M2 | М3 | M1   | M2 | М3 |
| 3.         | Coordination of the implementation schedule with the PRMS                                                                                                  | BCC                      |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| Con        | Component 3. EVALUATION OF RESULTS OF PILOT OPERATIONS IN CÔTE D'IVOIRE                                                                                    |                          |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| 1.         | Evaluation report by the PRMS, covering the process of concluding contracts and implementation of contracts                                                | PRMS                     |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| 2.         | Evaluation report on experiences of co-<br>operatives, exporters and banks                                                                                 | BCC                      |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| 3.         | Production of a comprehensive evaluation report (Project Completion Report)                                                                                | BCC/ICCO                 |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| 4.         | Organisation of a meeting of project participants to present and discuss the findings and experiences of the pilot operations implemented in Côte d'Ivoire | BCC, CFC and ICCO        |      |    |    |      |    |    |    |      |    |      |    |    |      |    |    |
| 5.         | Report on the above meeting on pilot operations in Côte d'Ivoire                                                                                           | BCC and ICCO             |      |    |    |      |    |    |    |      |    |      |    | _  |      |    |    |

|                                                             |                                                                              |                          |      |    |    |      |    |    |      | YEA | R  |      |    |    |      |    |    |
|-------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------|------|----|----|------|----|----|------|-----|----|------|----|----|------|----|----|
| COMPONENTS                                                  |                                                                              | IMPLEMENTING<br>AGENT(S) | QTR1 |    |    | QTR2 |    |    | QTR3 |     |    | QTR4 |    |    | QTR5 |    | .5 |
|                                                             |                                                                              |                          | M1   | M2 | М3 | M1   | M2 | М3 | M1   | M2  | М3 | M1   | M2 | М3 | M1   | M2 | М3 |
| Component 4. PROJECT MANAGEMENT, MONITORING AND SUPERVISION |                                                                              |                          |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 1.                                                          | Coordination project activities at national level                            | BCC                      |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 2.                                                          | Production of quarterly progress reports                                     | BCC                      |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 3.                                                          | Intensive Monitoring, Backstopping and Supervision of project implementation | CFC and ICCO             |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 4.                                                          | Auditing of accounts                                                         | BCC and CFC              |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |
| 5.                                                          | Review and Evaluation missions                                               | CFC and ICCO             |      |    |    |      |    |    |      |     |    |      |    |    |      |    |    |