Financing Agreement

(West Africa Unique Identification for Regional Integration and Inclusion Project)

between

THE REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between THE REPUBLIC OF GUINEA ("Recipient") and THE INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS, as part of the regional effort to establish a robust Foundational ID System with authentication processes that allow for mutual recognition across the ECOWAS Member States, the Recipient has expressed an interest to become a Participating Country in the West Africa Unique Identification for Regional Integration and Inclusion Project;

WHEREAS, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), the Recipient has requested the Association to extend a Credit and a Grant to assist in the financing of the Project; and

WHEREAS, the Association has agreed, on the basis, inter alia, of the foregoing, to extend a credit and a Grant to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a grant and a credit, both deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

(a) an amount equivalent to seventeen million one hundred thousand Special Drawing Rights (SDR 17,100,000) ("Grant"); and
(b) an amount equivalent to seventeen million one hundred thousand Special Drawing Rights (SDR 17,100,000 (“Credit”)).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall carry out Part 1.1, 2 and 3 of the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

4.01. The Additional Event of Suspension consists of the following, namely that the Recipient has not adopted a Foundational ID Law and/or its related regulations or, after such adoption, the Foundational ID Law and/or its related regulations have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the achievement of the objectives of the Project.

4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

5.01. The Effectiveness Deadline is the date one hundred and eighty days (180 days) after the Signature Date.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister in charge of economy and finance.

6.02. For purposes of Section 11.01 of the General Conditions:
   (a) the Recipient's address is:

   Ministry of Economy and Finance
   P.O. Box 579
   Conakry
   Republic of Guinea; and

   (b) the Recipient's Electronic Address is:

   Telex: Facsimile:
   22399 MIFIGE (224) 30 45 30 48
   (224) 30 42 21 02

6.03. For purposes of Section 11.01 of the General Conditions:
   (a) the Association's address is:

   International Development Association
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America; and

   (b) the Association's Electronic Address is:

   Telex: Facsimile:
   248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

THE REPUBLIC OF GUINEA

By

Authorized Representative

Name: Mamady Camara
Title: Minister of Economy and Finance
Date: June 27, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Rachidi B. Badji
Title: Country Manager
Date: June 27, 2018
SCHEDULE 1

Project Description

The objective of the Project is to increase the number of persons in the Republic of Guinea who have government-recognized proof of unique identity that facilitates their access to services.

The Project constitutes a phase of the MPA Program and consists of the following parts:

Part 1: Strengthening the Legal and Institutional Framework

1.1 Identifying and addressing gaps in existing legal, regulatory, and institutional frameworks for the Foundational ID System

Provision of technical assistance to relevant agencies of the Recipient to strengthen the legal and institutional framework of the Foundational ID System and allow for mutual recognition across Participating Countries; through, *inter alia*, the following activities:

(a) Review of the Recipient’s legal and institutional framework, including those relating to non-discrimination, privacy, data protection, and network security to identify existing gaps in said framework and propose remedies.

(b) Development of: (i) an identification policy and a corresponding Foundational ID Law creating the Foundational ID System; (ii) required legislation and institutional frameworks governing the Foundational ID System including those relating to non-discrimination, privacy, and data protection; (iii) usage policies for the Foundational ID System; and (iv) required legal policies and protocols to allow for the integration and data sharing between the CR System and the Foundational ID System; all in accordance with the ID4D Principles.

(c) Enhancing the capacity of the PIE, including through: (i) the provision of required Training including in the areas of usage of the Foundational ID Systems and sensitization on non-discrimination; and (ii) provision of technical assistance on legal, security and privacy issues.

1.2 Regional Dialogue on Mutual Recognition of Foundational ID Systems

Provision of technical assistance to enhance and foster inter-agency collaboration and strengthening regional engagement across the ECOWAS member states for the Foundational ID System, including through the following activities:
(a) development and implementation of comprehensive change management plans aimed at sensitizing stakeholders from both relevant national ID and immigration departments to have a mutual understanding of the importance of a phased approach using Foundational ID System to implement the ENBIC; and

(b) (i) developing a roadmap from a Foundational ID System to an ENBIC; (ii) monitoring regional progress of mutual recognition of Foundational ID Systems by reviewing existing reports and assessments for ECOWAS member states; and (iii) strengthening the implementation capacity of ECOWAS DFMT.

Part 2: Establishing Robust and Inclusive Foundational ID Systems

2.1 Foundational ID Systems

Provision of technical assistance to relevant agencies of the Recipient to:

(a) Establish an inclusive and secure Foundational ID System and support its related registries and information systems, including the system for generating the Unique Identification Number.

(b) Develop required policies detailing the types of service providers allowed to access the Foundational ID System, the various sanctioned use cases, technical protocols to be used for data transfer, and appropriate data privacy safeguards.

(c) Carry out a registration campaign to include all persons in the Recipient’s territory, aimed at populating the Foundational ID System with required data on said persons.

(d) Establish procedures to facilitate the ongoing registration of persons not covered by the initial mass registration campaign, such as birth and death notifications.

2.2 Creating Links to the CR System

Provision of technical assistance to relevant agencies of the Recipient to:

(a) Provide Unique Identification Numbers to persons newly-registered in the CR System.

(b) Prepare technical policies and protocols to enhance interoperability between the Foundational ID System and CR System.
(c) Carry out an inventory and evaluation exercise of the state of the Recipient's existing CR System.

2.3 Production of Foundational ID Credentials

Provision of technical assistance to relevant agencies of the Recipient to: (a) acquire and install a system for production of basic low-cost credentials with a Unique Identification Number and a machine-readable code; (b) produce and distribute a basic, low-cost credential to all persons registered in the Foundational ID System; and (c) develop a plan for sustainable financing of the production of low-cost credentials.

2.4 Supporting Information Systems

Enhancing the PIE's information system for Project management and monitoring, as well as establishing and operating a secure data center and backup to host the Foundational ID System, all through the provision of goods and Training required for the purpose.

2.5 Project Management, Grievance Redress Mechanism, and Stakeholder Engagement

(a) Supporting the Recipient for management, capacity building, and operation of the Project implementation including the costs of running the PIU, all through provision of Training, technical advisory services, and Operating Costs.

(b) Design and development of a Project monitoring and evaluation system.

(c) Development and implementation of an awareness-raising campaign outlining, among others, the rights and responsibilities of registered persons, including the ID lifecycle, and addressing concerns about privacy, costs and inclusiveness.

(d) Design and development of a grievance redress mechanism.

Part 3: Facilitating Access to Services Through Foundational IDs

3.1 Development of a National Strategy for Linking the Foundational ID System to Key Services

Provision of support to the Recipient to develop a national strategy aimed at linking services and functional registers to the Foundational ID System.
3.2 Design and Implementation of Interoperability between Foundational ID System and Social Safety Net System

Provision of technical assistance and required Training to the Recipient to link the Foundational ID System to the existing social safety net systems, including the existing social safety net system, through, *inter alia*, the review of business processes and service models.

3.3 Targeted Investments in Equipment

Purchase of biometric terminals and other relevant equipment to ensure the successful roll out of the linkage scheme between the social safety nets system, and the Foundational ID System.

3.4 Communications Campaign on Service Delivery of Foundational ID System

Provision of support to the Recipient to: (a) develop a communications strategy to assess and link services using the Foundational ID System; and (b) carry out a communications campaign to raise awareness on the services and functions provided under the Foundational ID System.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain throughout the period of Project implementation, the PIU to run the day-to-day management of the Project, in a form and with terms of reference, functions, composition, mandate, staffing, and adequate resources satisfactory to the Association, and as further described in the Project Implementation Manual. To this end, the Recipient shall not later than (1) one month after the Effective Date recruit, and thereafter maintain, a senior social development specialist not later than three (3) months after the Effective Date, recruit, and thereafter maintain: (i) a financial management officer; (ii) an accountant not later than (1) one month after the Effective Date recruit, and thereafter maintain: (A) two procurement specialists; and (B) a grievance redress mechanism assistant specialist; all with qualifications and under terms of reference satisfactory to the Association.

2. The Recipient shall, not later than two (2) months after the Effective Date, install and, thereafter maintain; an accounting software for the Project, in a manner acceptable to the Association.

3. The Recipient shall, not later than three (3) months after the Effective Date, recruit and thereafter maintain, an internal auditor, with qualifications and under terms of reference satisfactory to the Association.

4. The Recipient shall, not later than five (5) months after the Effective Date, recruit and thereafter maintain, an external auditor, with qualifications and under terms of reference satisfactory to the Association.

5. No later than June 30, 2021, the Recipient shall designate or establish an independent agency to be responsible for matters of IDs and Foundational ID Systems, in form and mandate satisfactory to the Association.

B. Project Implementation Manual

1. The Recipient shall, no later than two (2) months after the Effective date, prepare and adopt a Project Implementation Manual in form and substance satisfactory to the Association.
2. The Recipient shall carry out the Project in accordance with the Project Implementation Manual. To this end, the Recipient shall not amend the Project Implementation Manual without the prior written approval of the Association.

3. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

C. Training

For the purposes of the Training to be provided under the Project and to be delivered through study tours, workshops and conferences, the Recipient shall:

1. furnish to the Association for its approval, not later than November 30 of each year, a Training program including an explanation of how such training is consistent and conducive to the objective of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

2. select the trainees in accordance with a transparent process and criteria satisfactory to the Association;

3. furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each Training and the benefits to be derived therefrom.

D. Safeguards

1. The Recipient shall not later than three (3) months after the Effective Date, prepare and thereafter disclose a Social Assessment and Management Plan and a Stakeholder Engagement Plan, in form and substance satisfactory to the Association ("Safeguard Instruments"). To this end, the Recipient shall implement the Project in accordance with the Safeguard Instruments and shall not amend, suspend, abrogate, repeal or waive any provision of any of the Safeguard Instruments, without the prior written approval of the Association, and subject to compliance with applicable consultation and public disclosure requirements of the Association.

2. The Recipient shall ensure that adequate information on the implementation of the Safeguard Instruments is suitably included in the Project Reports referred to in Section II. of this Schedule (and promptly in a separate report whenever the circumstances warrant), including details of: (a) measures taken in furtherance of the Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall: (a) by not later than three (3) months after the Effective Date, establish, and thereafter maintain throughout the period of implementation of the Project, a grievance redress mechanism, satisfactory to the Association, for the management of complaints related to the Project; and (b) ensure that adequate measures, satisfactory to the Association, are put in place to ensure that all aspects of Project implementation are carried out in an inclusive, non-discriminatory and participatory manner.

4. The Recipient shall ensure that all technical assistance and the registration campaign under the Project shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association such terms of reference to ensure that the technical assistance takes into account and calls for application of the Association’s environmental and social safeguards policies, and the Recipient’s own laws relating to the environment and social aspects.

5. The Recipient shall not later than six (6) months after the Effective Date, recruit and maintain an independent third party with the responsibility of oversight of the use of Foundational ID System, in accordance with the safeguard instruments, with qualifications and under terms of reference satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report, commencing on July 30, 2018, each for a period of six (6) months, covering the preceding period.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Training, Operating Costs, non-consulting services, and consulting services under the Project, except Part 1.2.</td>
<td>15,300,000</td>
<td>17,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>1,800,000</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>17,100,000</td>
<td>17,100,000</td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.

2. The Closing Date is July 3, 2024.
SCHEDULE 3
Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each November 15 and May 15, commencing November 15, 2024, to and including May 15, 2056</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.

2. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. “CR System” means a Civil Registration System which is a foundational system for establishing a person’s in legal existence, civil registration is the continuous, permanent, compulsory, and universal recording of the occurrence and characteristics of vital events (live births, deaths, fetal deaths, marriages, and divorces) and other civil status events pertaining to the population as provided by a decree, law or regulation, in accordance with the legal requirements in each country.

5. “ECOWAS DFMT” means ECOWAS Directorate of Free Movement and Tourism; or any success for thereto.

6. “ECOWAS ENBIC” means the ECOWAS National Biometric Identity Card.

7. “ECOWAS Member States” means the set of member states that are part of the Economic Community of West African States.

8. “Foundational ID Law” means the national legislation that shall establish and govern the Foundational ID System, and that shall include, among others, principles for non-discrimination, inclusiveness and data privacy, as such terms are approved by the Association.

9. “Foundational ID System” means a foundational system for proving a person’s identity that is underpinned by a legal and institutional framework, and which provides government-recognized ID credentials (not linked to nationality or citizenship) on the basis of a unique, basic set of attributes, such as biometrics and demographic data, that exclusively describes an individual or an entity.
Foundational ID systems depend on data integration with CR systems to maintain an ongoing flow of information (births, deaths) for sustained operations.


11. “ID” means an identification that uniquely describe a subject within a given context.

12. “ID4D Principles” means the Principles on Identification for Sustainable Development: Toward the Digital Age, which are a list of guiding principles of ID systems that include principles of inclusiveness, security, sustainability, data protection and usage rights, as further set forth in the Project Implementation Manual.

13. “MPA Program” means the multiphase programmatic approach program designed to increase the number of persons in Participating Countries who have government-recognized proof of unique identity that enables them to access services.

14. “Operating Costs” means the expenditures incurred by the Recipient to finance: (i) the salaries of support staff of the PIU involved in Project implementation (excluding civil servants) and state contributions thereon; (ii) per diem and travel expenses of the operational staff performing their responsibilities under the Project; (iii) fuel and vehicle maintenance and insurance; (iv) communication technology (including, without limitation, internet and telephone) and maintenance of equipment; (v) rental expenses and utilities; (vi) building security and maintenance; (vii) translation services, photocopies and publications; and (viii) utilities and office supplies.

15. “Participating Countries” mean collectively the Participating Countries, being Guinea, Cote d'Ivoire, and any other country that enters into a Financing Agreement for the Project with the Association; and “Participating Country” means individually each and any of the Participating Countries.

16. “PMO” means the Recipient’s Prime Minister’s office.

17. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient.

19. "Project Implementing Entity" or "PIE" means the Recipient's Prime Minister's office, or any successor thereto.

20. "Project Implementation Manual" or "PIM" means the manual to be adopted by the Recipient as referred to in Section I.B of Schedule 2 to this Agreement, for the implementation of the Project at the national and regional level, including, inter alia: (i) the terms of reference, functions and responsibilities for the members of the PIU and other ministries, agencies and institutions involved in Project implementation; (ii) the procedures for procurement of goods, works, non-consulting services, consulting services, Operating Costs, and Training, as well as for financial management, accounting and audits under the Project; (iii) the indicators to be used in the monitoring and evaluation of the Project at the national level; (iv) the interim financial reports, and the Project Reports; (v) funds flow and disbursement arrangements of Project funds; and (vi) the grievance mechanisms; as said manual may be amended from time to time with the Association's prior approval.

21. "Project Implementing Unit" or "PIU" means the project implementation unit within the administrative structure of the PMO as set forth under Section I.A.1 of Schedule 2 to this Agreement.

22. "Safeguard Instrument" means one of the following: (a) Social Assessment and Management Plan; or (b) the Stakeholder Engagement Plan, as the context may require, and "Safeguard Instruments" means, collectively the two instruments.

23. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

24. "Social Assessment and Management Plan" means the instrument to be prepared by the Recipient setting forth the potential social risks and impacts of the Project and design, appropriate mitigation, management, and monitoring measures, including the effective engagement of stakeholders in participatory processes, in addition to the measure to be taken during the implementation and operation of the Project to eliminate and mitigate said social impacts, as well as the actions needed to implement these measures (including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse that may arise under the Project).

25. "Stakeholder Engagement Plan" means the instrument to be prepared by the Recipient that describes the timing and methods of engagement with stakeholders throughout the life cycle of the Project, including any differentiated measures to reach disadvantaged or vulnerable groups, as well as establishes the requirements to ensure meaningful consultations with stakeholders and provides the requirements for disclosure of Project information.
26. "Training" means training, workshops, conferences, study tours, fellowships and scholarships provided under the Training program under Part 1.C of Schedule 2 and conducted in the territory of the Recipient and abroad, including the reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including: (i) fees for educational institutions; (ii) fees and allowances for resource persons; (iii) travel, board and lodging for resource persons and trainees; (iv) logistics and materials associated with conferences, seminars, workshops, study tours, fellowships and scholarships; and (v) other training costs directly associated with the Project, but excluding: (a) those provided through consulting services; and (b) salaries (including bonuses, fees and honoraria or equivalent payments) of officials of the Recipient's civil service.

27. "Unique Identification Number" means an unintelligible, randomly-assigned number, generated by the Foundational ID System that uniquely identifies an individual, and can be used to link an identity across databases and systems in both the public and private sector.