Financing Agreement

(Maternal and Child Health and Nutrition Services Support Project)

between

REPUBLIC OF TOGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 6, 2014
FINANCING AGREEMENT

AGREEMENT dated 6 May, 2014, entered into between REPUBLIC OF TOGO ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nine million one hundred thousand Special Drawing Rights (SDR9,100,000) (variously, "Grant" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

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

2.04. The Payment Dates are May 1 and November 1 in each year.

2.05. The Payment Currency is the Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MOH in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has nominated or recruited, as the case may be, to the Project Implementation Unit, the staff listed in Section I.A.3(b)(i)(A) of Schedule 2 to this Agreement.

(b) The Recipient has adopted the Project Implementation Manual in accordance with Section I.C of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister responsible for finance.

5.02. The Recipient’s Address is:

Ministère de l’Economie et des Finances
Immeuble CASEF
B.P. 387
Lomé
Togo

Facsimile:
228-2221-09-05

5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
AGREED at Lome, Togo, as of the day, month and year first above written.

REPORT OF TOGO

Authorized Representative
Name: Adjiri Oti-Tee Ayassou
Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Authorized Representative
Name: Henri Appah
Title: Country Manager for Togo
SCHEDULE 1

Project Description

The objective of the Project is to increase utilization of selected maternal and child health and nutrition services for pregnant women and children.

The Project consists of the following parts:

Part 1. Improved Utilization of Malaria and Nutrition Services

(a) Support to the Recipient’s malaria control services, including, inter alia, provision of malaria control interventions to pregnant women, provision of a program of malaria diagnosis and treatment interventions in local communities, and design and implementation of outreach and education activities for related health behavioral change.

(b) Carrying out a program of activities to provide community-based nutrition services to pregnant women and children under five.

Part 2. Strengthening Health Monitoring and Evaluations Systems; Project Management

(a) Strengthening the Recipient’s health monitoring and evaluations systems including the Recipient’s capacity to monitor its MCH programs.

(b) Project coordination, management and monitoring, preparation of financial audits and periodic evaluations, and provision of goods, Training, Operating Costs and consultants’ services required therefor.
Section I. Implementation Arrangements

A. Institutional Arrangements.

1. MOH

MOH shall be responsible for overall Project implementation and management with the assistance from its relevant established programs and divisions.

2. Project Monitoring Group

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Monitoring Group with a mandate, composition and resources satisfactory to the Association.

(b) Without limitation upon the provisions of paragraph (a) of Section I.A.2 of this Schedule 2, the Project Monitoring Group shall meet, at least, quarterly and shall be responsible for Project oversight, including inter alia: providing overall Project guidance, facilitating coordination of Project activities and assuring coherence with other related government and donor-funded programs.

3. Project Implementation Unit

(a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Implementation Unit within MOH with composition, terms of reference and resources satisfactory to the Association.

(b) Without limitation upon the provisions of Paragraph (a) of Section I.A.3 of this Schedule 2, the Project Implementation Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, the Recipient shall: (A) nominate a procurement officer, a financial management officer, an accountant, and recruit, in accordance with the provisions of Section III of this Schedule 2, a procurement specialist, a financial management specialist and a monitoring and evaluation specialist; and (B) no later than three (3) months after the Effective Date, nominate a monitoring and evaluations officer and a communications officer; all with qualifications, experience, and terms of reference acceptable to the Association; and (ii) be responsible for day-to-day Project coordination and implementation, including, inter alia: (A) consolidating and preparing proposed annual work plans of activities for inclusion in the Project, and updating the procurement plan and related budgets and consolidating Project
Reports for the Project Monitoring Group’s review; (B) carrying out Project financial management and procurement activities; and (C) monitoring and evaluating the Project.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Project Implementation Manual

1. The Recipient shall prepare, under terms of reference acceptable to the Association, and furnish to the Association for approval a proposed implementation manual for the Project, setting forth, inter alia, the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; and (v) monitoring, evaluation, reporting and communication.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on the proposed Project implementation manual, and shall thereafter adopt such manual as shall have been approved by the Association ("Project Implementation Manual").

3. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.

4. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Programs and Budgets

1. Not later than December 1 in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare and furnish to the Association: (i) a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested; as well as (ii) any Supplemental Social and Environmental Safeguard Instruments which are required for the implementation of the activities included in the draft annual work plan and budget.
2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are consistent with the Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. For any training proposed to be included in an Annual Work Plan and Budget, the Recipient shall, inter alia, identify: (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior written approval.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Medical Waste Management Plan, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of any conflict between the provisions of the Medical Waste Management Plan, and those of this Agreement, the latter shall prevail.

3. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the Medical Waste Management Plan, giving details of:

   (a) measures taken in furtherance of said plan;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said plan; and

   (c) remedial measures taken or required to be taken to address such conditions.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 4.08 of the General Conditions. The Completion Report shall be furnished to the Association not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall, throughout Project implementation, maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitations on the provisions of Part A of this Section II, the Recipient shall prepare and furnish to the Association, interim unaudited financial reports for the Project covering the quarter, not later than forty-five (45) days after the end of the period, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. The General Inspectorate of Finance shall be responsible for the timely carrying out of the audits referred to in Section II.B.2 of this Schedule 2.

5. In order to ensure the timely carrying out of the audits referred to in Section II.B.3 of this Schedule 2, the Recipient shall, not later that four (4) months after the Effective Date, recruit an external auditor, with qualifications, experience, and terms of reference satisfactory to the Association.

6. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement, no later than three (3) months after the Effective Date, the Recipient shall establish, within the Project Implementation Unit, a computerized financial
Section III. **Procurement**

A. **General**

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, Goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding:

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding, subject to the additional procedures set forth in paragraph 3 below</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Shopping</td>
</tr>
<tr>
<td>(e) Procurement from United Nations Agencies</td>
</tr>
</tbody>
</table>

3. **Requirements for National Competitive Bidding.** The procedures to be followed for National Competitive Bidding shall be those set forth in the
Recipient’s public procurement law No. 2009-013 dated June 30, 2009, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines:

(a) No restriction based on nationality of bidders and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in National Competitive Bidding without restriction and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process such as, but not limited to, the proof that they are not under bankruptcy proceedings in the Recipient’s territory; have a local representative; form a joint venture with a local firm. Recipient’s government-owned enterprises or institutions shall be eligible to participate in the bidding process only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

(b) Invitation to bids shall be advertised in a national newspaper of wide circulation.

(c) Standard bidding documents acceptable to the Association shall be used for any procurement process under National Competitive Bidding.

(d) No domestic preference shall be given for domestic bidders and/or for domestically manufactured goods.

(e) Bidders shall be given at least four (4) weeks from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.

(f) Bids shall be opened in public, immediately after the deadline for their submission in accordance with the procedures stated in the bidding documents.

(g) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified: (i) a contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid; and (ii) bidders shall not be eliminated on the basis of minor, non-substantial deviations.

(h) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed from the proceeds of the Financing shall provide that: (i) the bidders, suppliers, and contractors and their subcontractors, agents, personnel, consultants, service providers
or suppliers, shall permit the Association, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(i) Each bidding document and contract financed from the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of the Procurement Guidelines. The Association may sanction a firm or individual, at any time, in accordance with prevailing Association sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded an Association-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier or service provider of an otherwise eligible firm being awarded an Association-financed contract.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
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</thead>
<tbody>
<tr>
<td>(a) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.
Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</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, works, non-consulting services, consultants’ services, Training and Operating Costs for the Project</td>
<td>8,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>400,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT 9,100,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is October 31, 2018.
APPENDIX

Section I. Definitions

1. "Annual Work Plan and Budget" means the annual work plan and budget as prepared by the Recipient for and approved by the Association in accordance with the provisions of Section 1.D of Schedule 2 to this Agreement.


3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "General Inspectorate of Finance" means the Recipient’s agency responsible for the internal audit of the use of public funds.

7. "Medical Waste Management Plan" means the Recipient’s plan, disclosed in country on December 4, 2013 and at the Association’s Infoshop on December 10, 2013, setting out the measures to be taken for the development and implementation of medical waste management and safe handling of said waste, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

8. "MOH" means the Recipient’s ministry responsible for health and any successor thereto.

9. "Operating Costs" means the incremental operating costs under the Project, based on the Annual Work Plans and Budgets approved by the Association, and incurred by MOH, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
10. "Preparation Advance" means the advance referred to in Section 2.07 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 on January 10, 2014.


12. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated January 9, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

13. "Project Implementation Unit" means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement, established pursuant to the Recipient’s Arreté No. 131/2013/MS/CAB/DGS portant création, attributions et composition de la Cellule de gestion du Projet du PASMIN financé par la Banque mondiale and operating within the general directorate office of the MOH.

14. "Project Monitoring Group" means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement, established by the Recipient pursuant to the Recipient’s Arreté No. 130/2013/MS/CAB/DGS portant création, attributions et composition du Groupe de suivi de la mise en œuvre du PASMIN financé par la Banque mondiale, dated August 22, 2013.

15. "Training" means the costs of training under the Project, based on the Annual Work Plans and Budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.