Financing Agreement

(Additional Financing for Community Development and Safety Net Project)

between

REPUBLIC OF TOGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 6, 2014
FINANCING AGREEMENT

Agreement dated May 6, 2014, entered into between REPUBLIC OF TOGO ("Borrower") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Borrower 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, in the Appendix to the Original Financing Agreement or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to seven million nine hundred thousand Special Drawing Rights (SDR 7,900,000) (variously, "Credit" and "Financing"); to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower 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 Borrower on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Borrower on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 15 and October 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 Euro.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project 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 Borrower and the Association shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension shall be that any legislation establishing a Project Implementing Agent has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the relevant Project Implementing Agent to perform any of its obligations under the relevant Amended Implementation Agreement.

4.02. The Additional Event of Acceleration consists of the event specified in Section 4.01 of this Agreement occurring and continuing for a period of thirty (30) days after notice of such event has been given by the Association to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness is that an Amended Implementation Agreement, in form and substance acceptable to the Association, has been executed on behalf of the Borrower and each Project Implementing Agent in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement.

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

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

6.01. The Borrower’s Representative is its minister responsible for finance.

6.02. The Borrower’s Address is:

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

Facsimile:

(228) 22 21 09 05

6.03. The Association’s Address is:

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

Cable: INDEVAS  
Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391

Washington, D.C.
AGREED at Lome, Togo, as of the day and year first above written.

REPUBLIC OF TOGO

By

Authorized Representative

Name: Adji Otiko Ayassor
Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Hervé Assah
Title: Country Manager for Togo
SCHEDULE 1

Project Description

The objective of the Project is to provide poor communities in the Borrower’s territory with greater access to basic socio-economic infrastructure and social safety nets.

The Project consists of the following parts:

Part A. Infrastructure Sub-projects

Financing, through the provision of Sub-project Grants, of specific community development projects designed to facilitate access of the rural population of the Borrower to improved health, education, water and sanitation, and other socioeconomic infrastructure.

Part B. School Feeding Program

Provision of support to supply meals, prepared locally in compliance with food safety and hygiene norms, to approximately 35,000 children attending primary school in selected poor communities for the Borrower’s 2014/2015 and 2015/2016 academic years.

Part C. Project Management

Project coordination, management and monitoring, and preparation of financial audits and periodic evaluations.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Incorporation of Provisions of Section I of Schedule 2 to the Original Financing Agreement

Throughout the implementation of the Project, the Borrower shall maintain all the institutional and implementation arrangements provided for under Sections I.A, I.B, I.D, I.F and I.G of Schedule 2 to the Original Financing Agreement, except as amended or specified below, all as further described in the revised Project Implementation Manual, and the Borrower shall comply with the provisions of the above-mentioned Sections as if such provisions had been set out in full in this Agreement.

B. Amendment to the Implementation Agreements

1. To facilitate the carrying out of Part A of the Project, the Borrower shall amend each Implementation Agreement, under terms and conditions acceptable to the Association (each an “Amended Implementation Agreement”).

2. The Borrower shall exercise its rights under each Amended Implementation Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any Implementation Agreement or any of its provisions.

C. Revised Project Implementation Manual

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

2. 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. Anti-Corruption

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

1. The Borrower shall ensure that the Project (including each Sub-Project) shall be implemented in accordance with the Safeguards Instruments, and to that end:

(a) if any activity under the Project (including a Sub-Project) would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

(i) shall prepare (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable ESMF or RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) adopt such Supplemental Social and Environmental Safeguard Instrument as shall have been approved by the Association prior to implementation of the activity; and

(ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument;

(b) if any activity under the Project (including a Sub-Project) would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) of said Affected Persons shall occur before resettlement measures under the RAP, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.

2. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall, for each Supplemental Social and Environmental Safeguard Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association on the status of compliance with each Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of such Supplemental Social and Environmental Safeguard Instrument;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Supplemental Social and Environmental Safeguard Instrument; and
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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

B. Financial Management, Financial Reports and Audits

1. The Borrower shall 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 limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Borrower shall have its Financial Statements 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 fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works 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, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding. The domestic preferences may be applied in accordance with Appendix 2 of procurement Guidelines.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<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 provisions of paragraph 3 of this Section III.B</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Community Participation procedures which have been found acceptable to the Association and are outlined in the Project Implementation Manual</td>
</tr>
</tbody>
</table>

3. **Requirements for the National Competitive Bidding.** The following additional procedures shall apply to National Competitive Bidding:

(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all 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 the deliberate and material violation of such provision may amount to an obstructive practice as defined in the Procurement Guidelines.

(ii) The invitation to bid shall be advertised in national newspapers with wide circulation.

(iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents.

(iv) The bidders shall be given adequate response time (at least four weeks from the date of the invitation to bid or the date of availability of a bidding documents, whichever is later) to prepare and submit their bids.

(v) The contracts shall be awarded to the lowest evaluated bid, provided that it is qualified.

(vi) The eligible bidders, including foreign bidders, shall not be precluded from participating.

(vii) No community preference margin shall be granted to contractors from other country than Borrower’s country.

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least-Cost Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Individual Consultants</td>
</tr>
<tr>
<td>(e) Single-Source Selection</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 Borrower 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 Borrower (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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services, Training and Operating Costs under Parts A and C of the Project</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services, Training and Operating Costs under Part B of the Project</td>
<td>3,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Sub-project Grants under Part A of the Project</td>
<td>3,900,000</td>
<td>100% of amount disbursed under Sub-project Grants</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,900,000</td>
<td></td>
</tr>
</tbody>
</table>
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 September 30, 2016.

Section V. Other Undertakings

A. The Borrower shall ensure that the Financing shall be used exclusively for the financing of activities detailed in Schedule 1 of this Agreement and no portion of the Financing shall be used for any applicable expenditure under the Project if such expenditure was reimbursed by the Original Financing.
**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 April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing April 15, 2024 to and including October 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing April 15, 2034 to and including October 15, 2053</td>
<td>2%</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 3.03(b) of the General Conditions.
Appendix

Section I. Definitions

1. "Affected Persons" means any person who, on account of the execution of any activity under the Project, has experienced or would experience direct adverse economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Affected Person" means any of the Affected Persons.

2. "Amended Implementation Agreement" means each Implementation Agreement to be amended in accordance with the provisions of Section 1.B of Schedule 2 to this Agreement.


4. "Beneficiary" means a Village Development Committee or a group within a rural community as determined by the criteria set forth in the Project Implementation Manual, to which the Borrower proposes to make or has made a Sub-project Grant.

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


7. "Environmental and Social Management Framework" or "ESMF" means the Borrower's framework disclosed in the Borrower's territory on December 8, 2011 and at the Association's Infoshop on December 9, 2011, and re-disclosed for the benefit of the Financing, in the Borrower's territory on October 17, 2013 and at the Association's Infoshop on October 29, 2013, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.

8. "Environmental and Social Management Plan" or "ESMP" means for a given activity under the Project, the environmental management plan (if required
pursuant to the environmental assessment for such activity and the ESMF), prepared pursuant to said environmental assessment and ESMF in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.


10. “Implementation Agreement” means each agreement referred to in Section I.B of Schedule 2 to the Original Financing Agreement between the Borrower and an Implementing Agent.

11. “Implementing Agent” means any of the entities referred to in paragraph 18 of the Appendix to the Original Financing Agreement.

12. “Infrastructure Sub-project” means a specific development project to be carried out by a Beneficiary under Part A of the Project utilizing the proceeds of a Sub-project Grant.

13. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Borrower’s civil service and Implementing Agents’ fees.

14. “Original Financing” means the financing provided under the Original Financing Agreement.

15. “Original Financing Agreement” means the financing agreement between the Borrower and the International Development Association for the Community Development and Safety Nets Project, dated April 12, 2012 (Grant number H767-TG).

16. “Original Project” means the Project described in the Original Financing Agreement.


18. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated, February 6, 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.

19. “Project Implementation Manual” means the manual, revised and adopted by the
Borrower for the purposes of the Financing, dated February 3, 2014 and referred
to in Section I.C of Schedule 2 to this Agreement, as the same may be revised
from time to time with the prior written consent of the Association.

20. “Resettlement Action Plan” or “RAP” means for a given activity under the
Project which requires, pursuant to the RPF a resettlement action plan, the
resettlement action plan for such activity prepared pursuant Section I.E of
Schedule 2 to this Agreement, in accordance with the RPF.

21. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy
Framework of the Borrower disclosed in the Borrower’s territory on December 8,
2011 and at the Association’s Infoshop on December 9, 2011, and re-disclosed for
the benefit of the Financing, in the Borrower’s territory on October 17, 2013 and
at the Association’s Infoshop on October 29, 2013, in form and substance
satisfactory to the Association, outlining the policies and procedures to be
implemented in the event that specific activities implemented under the Project
have potentially negative impacts on the livelihoods, assets and land of the
affected population.

22. “Safeguards Instruments” means the ESMF, the RPF, and any Supplemental
Social and Environmental Safeguard Instruments.

23. “Sub-project Grant” means a grant made or proposed to be made to a Beneficiary
by the Borrower out of the proceeds of the Financing to finance an Infrastructure
Sub-project.

24. “Supplemental Social and Environmental Safeguard Instruments” means any
environmental assessment, ESMP or RAP required under the terms of the ESMF
or RPF.

25. “Training” means the training of persons under the Project, including through
seminars, workshops, knowledge sharing activities and study tours, and covers
the following costs associated with such activity: travel and subsistence costs for
training participants, costs associated with securing the services of trainers, rental
of training facilities, preparation and reproduction of training materials, and other
costs directly related to training preparation and implementation.