Amended and Restated Financing Agreement

(Governance and Institutional Development Project)

between

REPUBLIC OF CÔTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 23, 2014
FINANCING AGREEMENT

AGREEMENT dated July 23, 2014, entered into between REPUBLIC OF CÔTE D’IVOIRE ("Recipient") 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).

WHEREAS:

(A) Pursuant to a financing agreement entered into between the Recipient and the Association dated July 25, 2008, ("Original Financing Agreement") ("Grant No. H401-CI") for the Governance and Institutional Development Project, the Association provided a grant to the Recipient (Original Grant) in an amount equivalent to eight million Special Drawing Rights (SDR 8,000,000) to assist in financing the project described in Schedule 1 to the Original Financing Agreement;

(B) The Recipient has requested the Association to provide additional financial assistance of a Credit in an amount equivalent to three million three hundred thousand Special Drawing Rights (SDR 3,300,000) ("Additional Credit") in support of Parts 1, 3 and 4 of the Project described in Schedule 1 to this Agreement ("Project"); and

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

NOW, THEREFORE, the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement to read 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 financing in an amount in various currencies equivalent to eleven million three hundred thousand Special Drawing Rights (SDR 11,300,000) ("Financing") which consists of: (a) the Original Grant in various currencies equivalent to eight million Special Drawing Rights (SDR 8,000,000); and (b) the Additional Credit in various currencies equivalent to three million three hundred thousand Special Drawing Rights (SDR 3,300,000); 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 Service Charge payable by the Recipient 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 January 15 and July 15 in each year in respect of the Original Grant and the Additional Credit.

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 the Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient 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 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 Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
4.02. 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 (20) years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient’s Representative is its minister at the time responsible for finance.

5.02. The Recipient’s Address is:

Ministry to the Prime Minister in charge of Economy and Finance
P. O. Box V163
Abidjan
Côte d’Ivoire

Cable: MPMEF  Facsimile: 225-20-30-25-25
Abidjan  225-20-30-25-28

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
Washington, D.C.
AGREED at Abidjan, Republic of Côte d'Ivoire, as of the day and year first above written.

REPUBLIC OF CÔTE D'IVOIRE

By

Authorized Representative

Name: Nicale KABA
Title: Minister to the Prime Minister in Charge of Economy and Finance
Côte d'Ivoire

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ousmane Bagana
Title: Country Director for Côte d'Ivoire - Africa Region
SCHEDULE 1

Project Description

The objective of the Project is to achieve enhanced transparency and efficiency in the management of public finances and improved governance and efficiency in the cocoa sector.

The Project consists of the following parts:

1. Public Financial Management

   (a) Improving capacity for budget planning and execution, through the:

      (i) provision of support for the launch of the Medium-Term Expenditure Framework and macroeconomic modeling;

      (ii) improvement of budget classification and nomenclature;

      (iii) preparation of an institutional audit and development of a manpower plan for the ministry at the time responsible for economy and finance;

      (iv) preparation of a master plan for the development and consolidation of the budget execution systems of said ministry, development of an interface between budget execution, procurement, treasury accounting, and payroll systems, and continued decentralization of the budget execution system in the remaining Departments in the Recipient’s territory;

      (v) improvement in production and dissemination of economic and financial information, and design and implementation of quarterly budget execution reports by said ministry;

      (vi) implementation of the public financial management framework (PFM) directives of the West African Economic and Monetary Union;

      (vii) development of local public financial management; and

      (viii) improvement in the management of public enterprises.

   (b) Strengthening audit and control functions, through the:

      (i) review of decentralized budget execution control procedures and production of a manual for this function;
(ii) streamlining and harmonization of public expenditure control systems; and

(iii) design and implementation of a monitoring and evaluation system in said ministry.

(c) Enhancing transparency and efficiency of public procurement, through the:

(i) establishment of a public procurement regulatory entity, preparation of a public procurement manual and standard public procurement documents, and development of a code of ethics with regard to public procurement;

(ii) development of a national strategy for capacity building in public procurement, and related training of participants in the central and decentralized administration and private sector operators; and

(iii) design and dissemination, through the internet, of public procurement statistics generated by the electronic public procurement system.

2. **Upstream Petroleum Sector Management**

(a) Increasing petroleum revenue generation capacity and improving transparency of said revenues, through the:

(i) carrying out of a review and update of the legal, contractual, and fiscal framework for upstream petroleum activities;

(ii) strengthening of the Recipient’s capacity to monitor and promote development of the upstream petroleum sector, through the development of a financial model to forecast and back-cast petroleum revenue, the design of strategies for effective promotion of the Recipient’s sedimentary basin, and the design of measures aimed at improving the capacity of the Recipient’s ministry at the time responsible for mining and energy to negotiate and supervise petroleum contracts; and

(iii) provision of support to the implementation of the Extractive Industries Transparency Initiative.

(b) Strengthening the social and environmental aspects of petroleum operations, through the:
(i) carrying out of a Social and Environmental Assessment;

(ii) carrying out of a review of existing environmental regulations and standards; and

(iii) establishment of a system for monitoring the implementation of relevant environmental management plans.

3. **Coffee-Cocoa Sector Institutional and Regulatory Framework**

   (a) Development and implementation of a coffee-cocoa sector reform strategy, with a key focus on its governance structure and accountability mechanisms.

   (b) Carrying out of an audit of the Recipient’s 2007 cocoa grower census.

   (c) Carrying out of an institutional, technical, and financial audit of the entities charged with the management and regulation of the coffee-cocoa sector and their associated funds.

   (d) Strengthening of governance, transparency and efficiency in the cocoa sector, and improvement of producer incomes.

   (e) Supporting the professionalization of cocoa producers and the registration of cooperatives to conform to the new rules of the *Organisation pour l'Harmonisation du Droit des Affaires en Afrique*.

4. **Project Management and Communication**

   (a) Project management and coordination, including financing of Operating Costs.

   (b) Carrying out of financial and technical audits of Project activities.

   (c) Development and implementation of a Project monitoring and evaluation system.

   (d) Provision of training to Project Coordination Unit staff and Ministerial Focal Points.

   (e) Preparation and implementation of a comprehensive communication strategy relating to Project activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Monitoring and Steering Committee

1. The Recipient shall maintain, throughout Project implementation, the Monitoring and Steering Committee: (a) with an institutional framework, functions, and resources satisfactory to the Association, chaired by the Recipient’s minister at the time responsible for economy and finance, and comprising representatives of the Line Ministries and the National Secretariat for Governance and Capacity Building; and (b) to be responsible for overall Project oversight and inter-ministerial coordination of the Project.

Project Coordination Unit

2. The Recipient shall maintain, throughout Project implementation, the Project Coordination Unit: (a) with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association, including a coordinator, an assistant coordinator, a financial and disbursement operations officer, an accountant, at least one procurement specialist, and one communications specialist; and (b) to be responsible for implementation of Part 4 of the Project, day-to-day oversight of Project implementation, and financial, procurement, and administrative management, including disbursements, under the Project.

Project Technical Committee

3. The Recipient shall cause the Project Coordination Unit to maintain, throughout Project implementation, the Project Technical Committee: (a) to be chaired by the Project coordinator, and comprising, inter alia, the Ministerial Focal Points, and with an institutional framework, functions, and resources satisfactory to the Association; and (b) to be responsible for recommending annual work plans, annual budgets, midterm review and annual assessment reports for consideration by the Monitoring and Steering Committee.

Line Ministries

4. The Recipient shall: (a) vest its ministry at the time responsible for economy and finance and its ministry at the time responsible for budget, with responsibility for the implementation of Part 1 of the Project, its ministry at the time responsible for mining and energy with responsibility for the implementation of Part 2 of the
Project, and its ministry at the time responsible for agriculture with responsibility for the implementation of Part 3 of the Project; and (b) cause each Line Ministry to maintain a Ministerial Focal Point, who shall be responsible for oversight of implementation of such Line Ministry’s respective Part of the Project.

B. Manual

1. The Recipient shall: (a) ensure that the Project is carried out in accordance with the Project Implementation Manual; and (b) except as the Association shall otherwise agree, 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 discrepancy between the provisions of said Project Implementation Manual and those of this Agreement, the latter shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that Part 2 (a) (iii) and (b) (i) and (ii) of the Project are carried out in accordance with the provisions of the Social and Environmental Assessment, and, except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. Without limitation to the provision of paragraph 1 above, the Recipient shall ensure that its ministry at the time responsible for mining and energy, in close collaboration with its ministry at the time responsible for the environment, water, and forestry, shall implement the Social and Environmental Assessment.

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 agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.
B. **Financial Management, Financial Reports and Audits**

1. The Recipient 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 Recipient shall prepare and furnish to the Association, not later than forty-five (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 Recipient 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 (1) semester during the first year of Project implementation, and one (1) fiscal year of the Recipient thereafter. The audited Financial Statements for each such period shall be furnished to the Association not later than three (3) months after the end of such period for the first year of Project implementation, and not later than six months after the end of such period thereafter.

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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.

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) National Competitive Bidding, subject to the provisions of paragraph 3 of this Section B</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

3. The following requirements shall apply to National Competitive Bidding:

   (i) the Recipient shall not reject all bids, or, if only one bid is received, it shall not reject the sole bid either and solicit new bids;

   (ii) the point system shall not apply; and

   (iii) bids shall not be rejected on the ground that they are either too high or too low.

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.
### D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

- (a) each contract for goods estimated to cost the equivalent of $1,000,000 or more;
- (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $200,000 or more;
- (c) each contract for individual consultants’ services estimated to cost the equivalent of $100,000 or more;
- (d) each contract for consultants’ services provided by an individual the duration of which exceeds one (1) year; and
- (e) each contract for consultants’ services procured on the basis of Single Source Selection.

All other contracts shall be subject to Post Review by the Association.

### E. Transitional Provisions in respect of Procurement

Notwithstanding the terms and conditions of the Original Financing Agreement and to the extent that the procurement of any goods, works, non-consultants’ services or consultants’ services to be financed out of the proceeds of the Grant was or will be initiated on or after the date of this Agreement, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in:

- (a) Section I.B (Anti-Corruption) of this Schedule (including the related provisions under the General Conditions) shall apply to the proceeds of the Grant utilized to finance such goods, works, non-consulting services or consultants’ services, and
- (b) Section III (Procurement) of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of such goods, works non-consulting services or consultants’ services.
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 100% (inclusive of Taxes) of Eligible Expenditures:

(i) consisting of goods, works, services (including audits), Training, and Operating Costs under Parts 1 through 4 of the Project, in respect of the Original Grant; and

(ii) consisting of goods, works, services (including audits), Training, and Operating Costs under Parts 1, 3 and 4 of the Project, in respect of the Additional Credit.

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, except that withdrawals up to an aggregate amount not to exceed $1,000,000 equivalent for Eligible Expenditures under the Original Grant may be made for payments made prior to July 25, 2008, but on or after May 20, 2008.

2. The Closing Date is November 30, 2016.

Section V. Other Undertakings

A. Financial Management System

1. The Recipient shall, for purposes of Project implementation: (a) maintain a financial management system, including accounting and financial management software, satisfactory to the Association; and (b) no later than three months after the Effective Date of this Agreement, update the FM Manual, in a manner and form and substance satisfactory to the Association; and thereafter implement the Project’s financial management aspects in accordance with the FM Manual.

B. Financial Auditors

1. The Recipient shall maintain at all times during Project implementation, an external auditor with qualifications, experience, and terms of reference satisfactory to the Association for purposes of the carrying out of said audit.
C. Annual Work Plans and Budgets

The Recipient shall furnish to the Association as soon as available, but in any case not later than September 1 of each year, the annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

D. Midterm Review

1. The Recipient shall:

   (a) carry out jointly with the Association, no later than 14 months after the Effective date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 of Schedule 2 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; and (v) Project implementation arrangements, and make adjustments to the Project and reallocate funds to improve performance, if needed;

   (b) prepare and furnish to the Association, three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Part D.1 on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

   (c) review, jointly with the Association, the report referred to in paragraph (b) of this Part D.1, and thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association’s views on the matter.
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 January 15 and July 15:</td>
<td></td>
</tr>
<tr>
<td>Commencing July 15 2024 to and including January 15, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>Commencing July 15, 2034 to and including January 15, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions


3. "Department" means an administrative area of the Recipient established pursuant to the Recipient’s Law No. 95-611 of August 3, 1995, representing a designated area and population within the territory of the Recipient.

4. "Extractive Industries Transparency Initiative" means the initiative aimed at increasing transparency over extractive industry payments and revenues and opening the extractive sectors and their processes to greater public scrutiny through enhanced transparency.

5. "FM Manual" means the Recipient’s financial procedures manual prepared under the Original Project.


7. "Line Ministry" means any of the Recipient’s ministries at the time responsible for economy and finance, budget, agriculture, mining and energy, communication, and environment, water and forestry.

8. "Medium-Term Expenditure Framework" means the transparent planning and budget formulation process whereby a government cabinet of ministers establishes credible envelopes for the allocation of public resources to its strategic priorities while ensuring overall fiscal discipline.

9. "Ministerial Focal Point" means any of the individuals referred to in Section I.A.4 of Schedule 2 to this Agreement and whose responsibilities are set out in said Section.

10. "Monitoring and Steering Committee" means the Recipient’s Monitoring and Steering Committee referred to in Section I.A.1 of Schedule 2 to this Agreement, and whose responsibilities are set out in said Section.

11. "National Secretariat for Governance and Capacity Building" means the Recipient’s entity, under the supervisory authority of the Recipient’s Prime
Minister's Office, established and operating pursuant to its Decree No. 2002-301 of May 29, 2002, and charged with governance and capacity building.

12. “Operating Costs” means the incremental expenses incurred by the Recipient’s ministry at the time responsible for economy and finance, based on annual budgets referred to in Section V.C of Schedule 2 to this Agreement as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including for 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.

13. “Original Grant” means the Grant made available by the Association to the Recipient under the Original Financing Agreement.


15. “Original Project” means the Project as defined in the Original Financing Agreement.


17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 9, 2014 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

18. “Project Coordination Unit” means the Project entity referred to in Section I.A.2 of Schedule 2 to this Agreement, whose responsibilities are set out in said Section.

19. “Project Implementation Manual” means the Recipient’s manual dated May 9, 2014, and referred to in Section I.B.1 of Schedule 2 to this Agreement, to be agreed with the Association, and setting out implementation, organizational, administrative, financial management, disbursement, procurement arrangements, monitoring and evaluation, and environmental and social monitoring and mitigation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules or annexes to said Manual.
20. "Project Technical Committee" means the Project entity referred to in Section I.A.3 of Schedule 2 to this Agreement, whose responsibilities are set out in said Section.

21. "Social and Environmental Assessment" means the Recipient's assessment of 2009, and referred to in Section I.D of Schedule 2 to this Agreement, identifying the social and environmental impacts generated or induced by the development of petroleum accumulations, assessing the extent and probability of these potential impacts, analyzing the institutional capacity of the Recipient for managing these impacts, proposing appropriate and feasible measures designed to prevent, manage, and/or mitigate these impacts, and making recommendations for the integration of these measures into the national hydrocarbon policy and other legal instruments and documents relating to its implementation, and such term includes any schedules or annexes to said Assessment.

22. "Training" means the training of persons involved in Project-supported activities, based on annual budgets referred to in Section V.C of Schedule 2 to this Agreement as approved by the Association, such term including seminars, workshops, and study tours, and costs associated with such activity include 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 course preparation and implementation.