March 2, 2018

H. E. Sani Yaya
Minister of Economy and Finance
Ministry of Economy and Finance
Lome
Togolese Republic

Re: EITI Grant No. TF0A6686
Togolese Republic: Extractive Industries Transparency Initiative Implementation Support Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Togolese Republic ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, the European Union represented by the European Commission, Finland, Germany, the Netherlands, Norway, Switzerland and the United Kingdom (the "Donors") under the Extractive Industries Transparency Initiative ("EITI"), proposes to extend to the Recipient a grant in an amount not to exceed three hundred thousand United States Dollars (USD 300,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

1818 H Street NW • Washington, DC 20433 USA
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Pierre Laporte
Country Director for Togo
Africa Region

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017
(3) "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

Togolese Republic
By: [Signature]
Authorized representative

Title: Minister of Economy and Finance
Date: 22 Mars 2018
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds, dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement and the following additional terms shall have the following meanings:

(a) "CSO" means a civil society operating in the Recipient’s territory.

(b) "EITI" means Extractive Industry Transparency Initiative.

(c) "EITI Secretariat" means the technical secretariat supervised by the Recipient Prime Minister’s Office in charge of the implementation of the Project, as per decree 2010-028.

(d) "MSG" or "Multi-Stakeholder Steering Group" means the governing body comprised of, *inter alia*, representatives from the Recipient’s governmental agencies, civil society organizations and mining companies active in the Recipient’s territory.

(e) "Operating Costs" means the reasonable incremental operating expenses, based on an annual work plan and budget acceptable to the World Bank, incurred on account of the coordination, implementation, and monitoring and evaluation of the Project, including office rental charges; fuel and vehicle maintenance costs; and meeting expenses, but excluding salaries of the Recipient’s civil servants.

(e) "Project Implementation Manual" means the manual referred to in Section 2.03 (c) of this Annex.

(f) "Training" means the reasonable costs of: (i) training materials and rental of training facilities and equipment; (ii) tuition fees, travel, accommodation and *per diem* of trainers and trainees; and (iii) any other expenses related to training to be carried out under the Project.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the implementation and sustainability of the Extractive Industries Transparency Initiative in the Recipient’s territory. The Project consists of the following parts:

A. **Automated Reporting of Production and Revenue Data**

Supporting the creation of an automated reporting of production and revenue data through: (a) consultancy inputs in the design of reporting templates and integration with existing publicly available data from reporting entities; (b) full or partial automation of the Recipient’s tax
administration system; (c) a review of existing practices and lessons learnt from countries which have launched different versions of automated reporting.

B. Strategic Communication

Supporting strategic communication steps, including: (a) impact/perception surveys to understand the effects of EITI implementation in terms of increased awareness of the extractive industries among stakeholders; (b) modernization of communication toolkits, including the EITI website, printed handouts, audio visual tools to benefit the illiterate parts of the population; (c) information campaigns and outreach events to ensure that report findings and sector debates are well disseminated across the country, especially in communities affected by mining; (d) collaboration with local CSOs for grass-root dissemination of EITI documents and findings; and (e) nomination of regional EITI focal points.

C. EITI Secretariat Business Planning

Developing a comprehensive work plan and identifying potential financing sources to ensure financial autonomy and sustainability of the EITI MSG and the EITI Secretariat through the provision of consultants’ services to assess long-term staffing needs and budget estimates for continued EITI reporting, dissemination and stakeholder participation.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the EITI Secretariat in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements. Without limitation upon the provisions of Section 2.02 above, the Recipient shall:

(a) maintain, throughout Project implementation, the EITI Secretariat with staff in adequate number, with terms of reference, qualifications and experience satisfactory to the World Bank to be responsible for the overall implementation of the Project based on the agreed work plan and budget and the procurement plan.

(b) maintain, throughout Project implementation, the EITI MSG with members in adequate number, qualifications and experience in accordance with international EITI guidelines to be responsible for: (i) the approval of the annual work plan and budget allocations; and (ii) the validation and quality control of all deliverables and outputs.

(c) maintain, throughout Project implementation, the implementation manual, containing detailed arrangements and procedures for implementation of the Project, including, inter alia: (i) institutional coordination and day-to-day implementation of the Project; (ii) disbursement, procurement and financial management, including financial and technical audit of the Project; (iii) environmental and social safeguards; (iv) monitoring and evaluation, reporting and communication, including performance indicators; and (v) such other administrative, financial, technical and organization arrangements and procedures as shall be required for the Project (“Project Implementation Manual”).

(d) pay, throughout Project implementation, due attention to and ensure that all terms of reference for any training, technical assistance or studies carried out under the Project are
consistent with the World Bank's environmental and social safeguards policies, as well as the Recipient's own laws relating to the environment and social aspects.

(e) prior to conducting any training or workshop under the Project, furnish to the World Bank for its review, the following information relating to such training or workshop: (i) the objective and content of the training or workshop envisaged; (ii) the selection method of institutions or individuals conducting such training or workshop, and said institutions if already known; (iii) the expected duration and an estimate of the cost of said training or workshop; and (iv) the personnel selected to attend the training and/or the workshop.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.05 **Documents; Records.** In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.07. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of
each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.08. Procurement

All goods and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated February 20, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Project</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>300,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, 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 $30,000 equivalent may be made for payments made prior to this date but on or after January 1, 2018, for Eligible Expenditures under Category (1).
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2019.

**Article IV**
**Recipient's Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance  
Immeuble CASEF BP 387  
Lomé  
Togolese Republic

Facsimile:  
228-221-09-05

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:  
248423 (MCI) or 64145 (MCI)  
Facsimile:  
1-202-477-6391