

**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.

(202) 473-1000  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS

CONFORMED

May 2, 2011

His Excellency Adji Otèth Ayassor  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Lome, Republic of Togo

Re: Multi-Donor Trust Fund Grant for the Extractive Industries  
Transparency Initiative  
Trust Fund Grant No. TF098712

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Togo (“Recipient”), I am pleased to inform you that 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, France, Germany, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States of America (the “Donors”) under the Extractive Industries Transparency Initiative (“EITI”) Implementation Support Facility, proposes to extend to the Recipient a grant in an amount not to exceed two hundred seventy-four thousand six hundred United States Dollars (US \$274,600) (“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. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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.

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. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By \_\_\_\_\_  
//s// Madani M. Tall  
Country Director for Togo  
Africa Region

AGREED:  
REPUBLIC OF TOGO

By //s// Adji Otèth Ayassor \_\_\_\_\_  
Authorized Representative

Name Adji Otèth Ayassor \_\_\_\_\_

Title Minister of Economy & Finance \_\_\_\_\_

Date: May 16, 2011 \_\_\_\_\_

Enclosures:

- (1) "Standard Conditions for Grants Made by the World Bank Out of Various Funds", dated July 31, 2010
- (2) Disbursement Letter of even date herewith, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006
- (3) Guidelines: "Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by the World Bank Borrowers" published by the Bank in January 2011
- (4) Guidelines: "Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", published by the World Bank in January 2011
- (5) 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

## Article I

### Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“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 have the following meanings:

- (a) “EITI” means Extractive Industry Transparency Initiative.
- (b) “EITI International Board” means the international board, which oversees the overall initiative, referred to in Section 2.03(b) of this Annex.
- (c) “EITI Secretariat” means the technical secretariat in the Recipient Prime Minister’s Office which is in charge of the implementation of the Project.
- (d) “MSWG” or “Multi-Stakeholder Steering Working 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.

## Article II Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to develop a detailed plan which sets out the actions to be undertaken with respect to implementation of EITI in the Recipient’s territory.

The Project consists of the following parts:

### Part A. Capacity Building and Training

(a) Providing capacity building and training to: (i) representatives of the Recipient’s national council on all matters related to EITI; and (ii) representatives, *inter alia*, of the Recipient’s national council, the civil society, the media operating in the Recipient’s territory, government officials of the Recipient, the extractive industry and parliamentarians on the revenues stream coming out of the extractive industries; (b) developing a communication strategy to improve the effectiveness of EITI implementation in the Recipient’s territory; and (c) ensuring adequate logistics and follow-up for the EITI training program with the view of building a knowledge and documentation base for extractive industries in the Recipient’s territory.

### Part B. Support to Data Collection and Report Preparation and Production

Carrying out a program of activities aimed at supporting data collection through the improvement of the reconciliation of data collected with regard to payment received; such program includes: (i) preparing templates for the Recipient's EITI data reporting; (ii) hiring of reconciliation / audit firms; (iii) assisting the reconciliation / audit wherever needed to finalize the reports; and (iv) publishing the recommendations of the reconciliation / audit firms.

Part C. Support for Communications Activities

Carrying out of workshops aimed at informing the MSWG and certain civil society groups on both reporting and reconciliation of revenue data and dialogue.

Part D. Operational Support for Efficient EITI Implementation

Provision of operational support through contribution to: (i) the purchase of office equipment and stationery; and (ii) any financial shortages related to the communication and transportation services and other operating costs resulting from the EITI implementation process.

Part E. Technical Support to Validation Process

Provision of technical support to the validation process through: (i) assistance in drafting terms of reference for consultants; and (ii) collaboration in assessing the progress made.

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 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** Without limitations upon the provisions of Section 2.02 above:

(a) The Recipient shall maintain, throughout the Project implementation, the EITI Secretariat with staff and resources acceptable to the World Bank, comprised of, *inter alia*, a national coordinator responsible for the coordination of EITI implementation in the Recipient's territory including the Grant activities according to the work plan agreed by the Recipient, the World Bank and the EITI International Board. The EITI Secretariat shall be responsible for the overall coordination and implementation of the Project.

(b) The Recipient shall ensure the availability of an independent administrator, whose selection is satisfactory to the World Bank and the EITI International Board, to be responsible for data reconciliation for the two EITI reports.

(c) Without limitation to paragraph (a) above, the Recipient shall maintain, throughout the Project implementation, the MSWG with staff and resources acceptable to the World Bank and it shall be responsible for: (i) the formulation of policies and strategies in defining the direction and ensuring the momentum of EITI in the Recipient's territory; (ii) the reporting process; and (iii) the selection of an independent auditor for the reconciliation exercise.

(d) The Recipient shall recruit, not later than two months before the Closing Date, an independent auditor in accordance with Section 2.07 of this Annex under terms of reference acceptable to the World Bank.

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

2.05. **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 the 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 one month 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 months after the Closing Date.

2.06. **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 as part of the Project Report 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. A single audit of the Financial Statements shall cover the period of implementation of the Project. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after Closing Date.

## 2.07. **Procurement**

(a) **General.** All goods and 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:

(i) Section I of the "Guidelines for Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 ("Procurement Guidelines"), in the case of goods; and

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in

accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding.

(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (A) Shopping; and (D) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; and (C) Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by 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 “World Bank Disbursement Guidelines for Projects” dated May 2006, 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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, consultants' services, Operating Costs and Training	274,600	100%
<b>TOTAL AMOUNT</b>	274,600	

For the purpose of this paragraph, the terms:

(a) "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; and

(b) "Training" means the reasonable cost 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 (including study tours and workshops) to be carried out under the Project.

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 countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 22, 2012.

#### **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 the Recipient 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  
Republic of Togo

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

Cable:	Telex:	Facsimile:	
INDEVAS	248423 (MCI) or	1-202-477-6391	
Washington, D.C.	64145		(MCI)