

OFFICIAL DOCUMENTS



05 JUN 2018, 2018

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

Re: Republic of Togo: Advance Agreement for the Preparation of the
Proposed Togo: Data for a Fact-Based Society Project
Project Preparation Advance No. V2050

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”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed three hundred fifty-seven thousand Dollars (\$357,000) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to improve the quality of welfare and macro-economic statistics and to strengthen the institutional, financial and human infrastructure needed to sustain improved data production (“Project”), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of 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 notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 6.02 of the annex to this Agreement that

the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 6.01 of the Agreement has been satisfied.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 
Pierre Laporte
Country Director for Togo
Africa Region


REPUBLIC OF TOGO
LE MINISTRE DE L'ECONOMIE ET DES FINANCES
Authorised Representative
Name: Sani YAYA
Title: LE MINISTRE
Date: 18 JUIN 2018

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010.
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.
- (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.

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, 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 shall have the following meanings:

(a) “Beneficiary” means an entity/individual to which or for whose benefit an PBF is made or proposed to be made and who is a party of a Performance-Based Financing Agreement.

(b) “Enterprise Census” means the Recipient’s 2016 Enterprise Survey, a firm-level survey of a representative sample of the private sector of the Recipient’s economy.

(c) “HR” means human resources.

(d) “INSEED” or *Institut National de la Statistique et des Etudes Economiques et Demographiques* means the Recipient’s National Institute for Statistics and Economic and Demographic Studies in charge of coordinating the Recipient’s national statistical system.

(e) “Implementing Entity” means INSEED or *Institut National de la Statistique et des Etudes Economiques et Demographiques*.

(f) “Implementng Entity’s Legislation” means the Recipient’s decree No. 2015-020 / PR of February 24, 2015 establishing the attributions, organization and modalities of operation of the Implementing Entity.

(g) “Operating Costs” means the reasonable incremental operating expenses incurred by the Implementing Entity on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment; office supplies, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.

(h) “PBF Manual” means the Performance-Based Financing Manual referred to in Section 2.03 (d) of this Annex, as the same may be amended from time to time with the prior written consent of the World Bank.

(i) “Performance-Based Financing” or “PBF” means a payment made or proposed to be made out of the proceeds of the Advance to finance the Activities provided for under Section 2.01 (c) of this Annex.

(j) “Performance-Based Financing Agreement” means an agreement between the Recipient and a Beneficiary, setting forth the terms and conditions governing PBFs.

(k) “Training” means the reasonable costs associated with training, workshop participation under the Activities, consisting of travel and subsistence costs for Training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

Article II Execution of the Activities

2.01. ***Description of the Activities.*** The Activities for which the Advance is provided consist of the following parts:

(a) Technical assistance for: (i) the preparation of the Project’s manuals, including the implementation manual covering *inter alia* general administrative procedures, financial management, accounting and procurement, and the performance-based financing manual; and (ii) the carrying out of the PPA audit.

(b) Carrying out of HR assessments to: (i) improve staffing and HR policies environment, including the review of the remuneration schemes, career paths and professionalization of staff; (ii) strengthen management through technical assistance; and (iii) define the contours of a statistics training center.

(c) Support for data production and dissemination, using a PBF approach, through: (i) an analysis of the Enterprise Census; and (ii) a survey on informal cross-border trade.

2.02. ***Execution of the Activities Generally.*** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall cause the Activities to be carried out by the Implementing Entity in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; (c) 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; and the Subsidiary Agreement.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon Section 2.02 above:

(a) The Recipient shall make the proceeds of the Advance available to the Implementing Entity on a grant basis under a subsidiary agreement between the Recipient and the Implementing Entity, in accordance with terms and conditions approved by the World Bank (“Subsidiary Agreement”), including terms whereby the Implementing Entity shall be required to: (i) carry out the Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods and services to be financed out of the Advance in accordance with the provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Activities and the achievement of their objectives; (v) (A) maintain a financial management system and prepare financial

statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Activities; and (B) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (vi) enable the Recipient and the World Bank to inspect the Activities, their operation and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank and shall perform its obligations and exercise said rights under the Subsidiary Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Advance. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(c) The Recipient shall, for the carrying out of Part (c) of Section 2.01 above, cause the Implementing Entity to enter into a performance-based financing agreement with each respective Beneficiary ("Performance-Based Financing Agreement"), under terms and conditions satisfactory to the World Bank

(d) The Implementing Entity shall ensure that the Activities under Part (c) of Section 2.01 above are carried out in accordance with a manual setting forth the terms and conditions of the PBF payments ("PBF Manual"). Such manual to include: (i) a description of the related activity, the applicable rates and applicable performance indicators; (ii) the deliverables for each such activity, including unit of measure; (iii) the eligibility criteria and mechanisms for calculating PBF payments; (iv) verification mechanisms for said deliverables and PBF payments; (v) periodicity of calculating PBF payments; (vi) reporting mechanism related to PBF payments; and (vii) terms and conditions of PBF payments, including modalities of payment.

(e) Except as the World Bank shall otherwise agree, the Implementing Entity shall not assign, amend, abrogate, waive or permit to be assigned, amended, abrogated or waived, the PBF Manual, or any provisions thereof, without written consent of the World Bank.

(f) In the event of any conflict between the provisions of the PBF Manual and those of this Agreement, the provisions of this Agreement shall prevail.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each 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 Sections 2.09(b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was 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 the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. 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.

2.06. *Procurement*

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance 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 Activities dated May 7, 2018 ("Procurement Plan") 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 the Advance

3.01. *Eligible Expenditures.* The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of 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.

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training and Operating Costs under the Activities, except for Part (c) of Section 2.01	217,000	100%
(2) PBF payments under Part (c) of Section 2.01 of the Activities	140,000	100%
TOTAL AMOUNT	357,000	

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. **Refinancing Date.** The Refinancing Date is January 15, 2019.

**Article IV
Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V Additional Remedies

5.01. *Additional Events of Suspension.* The Additional Event of Suspension consists of the following, namely, the Implementing Entity's Legislation pursuant to which the Implementing Entity has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Implementing Entity to perform any of its obligations under this Agreement.

Article VI Effectiveness; Termination

6.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following conditions are met:

(a) The Subsidiary Agreement has been fully executed and delivered between the Recipient and the Implementing Entity.

(b) the PBF Manual has been prepared and adopted by the Recipient in form and substance satisfactory to the World Bank.

6.02. Except as the Recipient and the World Bank shall otherwise agree, the Effective Date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01. If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Advance Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event has ceased to exist.

6.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VII
Recipient's Representative; Addresses

7.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

7.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Economy and Finance
Immeuble du CASEF
B.P. 387
Lomé - Togo

Facsimile:

(228) 22 20 67 23

7.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

(1)-202-477-6391