

CONFORMED

GRANT NUMBER H703-TG

Financing Agreement

(Additional Financing for Emergency Infrastructure Rehabilitation and Energy Project)

between

REPUBLIC OF TOGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 19, 2011

GRANT NUMBER H703-TG

FINANCING AGREEMENT

AGREEMENT dated July 19, 2011, entered into between REPUBLIC OF TOGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient 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 Original Financing Agreement or in the Appendix to this Agreement.
- 1.03. The Original Financing Agreement is amended as set out in Section II of the Appendix to this Agreement. In all other respects, the Original Financing Agreement remains in full force and effect.

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 grant in an amount equivalent to nine million five hundred thousand Special Drawing Rights (SDR 9,500,000) (“Financing”) 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 Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MUDH 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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's Minister responsible for finance.

- 5.02. The Recipient's Address is:

Ministère de l'Economie et des Finances
Immeuble CASEF
B.P. 387
Lomé, Togo

Facsimile:

228-221-09-05

- 5.03. The Association's Address is:

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

Cable:

INDEVAS

Washington, D.C.

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED at Lomé, Republic of Togo, as of the day and year first above written.

REPUBLIC OF TOGO

By //s// Hervé Assah
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Adji Otèth Ayassor
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase access to infrastructure and urban services in Lomé.

The Project consists the following:

Part A: Infrastructure Rehabilitation

Carrying out of Annual Work Plans of works, and provision of goods required for the purpose of:

1. Drainage rehabilitation in selected poor neighborhoods of Lomé, through: (a) cleaning of approximately ninety two kilometers (92 km) of existing canals throughout the city of Lomé; (b) rehabilitation and extension of approximately seventeen kilometers (17 km) of unsound drainage networks, resurfacing of drains and construction of new culverts along major roads, using mostly labor-intensive works methods; (c) rehabilitation of shoulders and side ditches of the secondary drainage network that drains into the lagoons of Lomé; and (d) réhabilitation of five (5) storm water retention ponds, including their fencing and the equipment of one of them with a pumping station.
2. Rehabilitation of approximately seven and a half kilometers (7.5 km) of primary and secondary roads in Lomé to increase access to isolated areas of the city, including Adakpame, Adidogome, Totsi, Adidoade, and Zorro Bar neighborhoods through: (a) reshaping and reinforcing of base structures, re-gravelling and paving of roads, and rehabilitating drainage and crossing structures along those roads; and (b) construction of a bridge to widen the existing road and ease traffic flow.
3. Increasing access to and improve the quality of water services for residents in poor peri-urban neighborhoods of Lomé, not serviced by TdE, through: (a) drilling and equipping fifteen (15) solar-powered production boreholes; (b) connecting selected neighborhoods of Lomé to boreholes distribution in the form of mini-water supply systems; and (c) installing sixty (60) water kiosks (“*kiosques à eau*”) and standpipes.
4. (a) Rehabilitation of the electric distribution network of Lomé through: (a) rehabilitation of twenty (20) medium voltage (MV) or low voltage (LV) transformers, including the replacement of selected small transformers by higher capacity transformers; (ii) rehabilitation of the network distribution, including the installation of new MV substations and the reconstruction of

selected LV substations to support acceptable capacity levels; and (iii) installation of fault passage indicators on the electric distribution network.

- (b) Improving the energy efficiency of the electric distribution system through:
 - (i) installation of at least 400,000 Compact Fluorescent Lamps (CFLs) replacing incandescent light bulbs in use;
 - (ii) carrying out of public information and awareness campaigns to promote a culture of energy efficiency; and
 - (iii) implementation of a normative framework and quality control system in the national market of CFL distribution.

Part B: Institutional Strengthening

1. Carrying out of the following capacity building and institutional strengthening programs, including the provision of goods required for the purpose:

- (a) a program to build capacity in terms of equipment and logistics for the entities involved in the implementation of the Project;
- (b) a program to strengthen the supervision, monitoring, evaluation and communication skills and functions of the Technical Secretariat with regard to the implementation of the Project; and
- (c) a program to provide capacity building activities to the staff of the entities involved in the implementation of the Project in financial management, procurement, monitoring and evaluation, environmental and social safeguards.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Section I.A of Schedule 2 (Institutional Arrangements) to the Original Financing Agreement is hereby incorporated by reference in this Section I.A and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

B. Delegated Contract Manager

Section I.B of Schedule 2 (Delegated Contract Manager) to the Original Financing Agreement is hereby incorporated by reference in this Section I.B and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

C. Annual Work Plan

Section I.C of Schedule 2 (Annual Work Plan) to the Original Financing Agreement is hereby incorporated by reference in this Section I.C and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

D. Anti-Corruption

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

E. Manual

Section I.E of Schedule 2 (Manual) to the Original Financing Agreement is hereby incorporated by reference in this Section I.A and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

F. Safeguards

Section I.F of Schedule 2 (Safeguards) to the Original Financing Agreement is hereby incorporated by reference in this Section I.E and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the

provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Section II.A of Schedule 2 (Project Reports) to the Original Financing Agreement is hereby incorporated by reference in this Section II.A.1 and shall (as amended pursuant to Section II of the Appendix to this Agreement) apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

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 and those of the Delegated Contract Manager 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. 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

Section III (Procurement) of Schedule 2 to the Original Financing Agreement is hereby incorporated by reference in this Section III and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, except that the Procurement Guidelines and Consultant Guidelines and Procurement Plan (all three as defined in the Appendix to this Agreement) shall apply to the Financing provided through this Agreement.

B. Provisions Applicable to Procurement of Goods, Works and Consultants' Services Initiated under the Original Financing Agreement.

Notwithstanding the provisions of this Section III (Procurement) of this Schedule 2: (i) to the extent the initiation of procurement process in respect of a contract for goods, works or consultants' services to be financed out of the proceeds of the Financing occurred prior to the date of this Agreement; and (ii) there are no proceeds remaining under the Original Financing to finance such contract; then, on an exceptional basis only and subject to the Association's prior no-objection: (a) Section I.D (Anti-Corruption) of this Schedule (including the related provisions under the General Conditions) shall not apply to the proceeds utilized to finance such goods, works or consultants' services; and (b) this Section III of this Schedule shall not apply to the procurement of such contract; provided, however, that the provisions of Section I.D and Section III (Procurement) of Schedule 2 to the Original Financing Agreement shall apply to the procurement of such contract.

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 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:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services including audits, Training for the Parts. A.1 and A.2 of the Project	8,800,000	100%
(2) Goods, Consultants' services including audits, Training and Operations Costs for Part B of the Project	700,000	100%
TOTAL AMOUNT	9,500,000	

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 December 31, 2015.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, solely for the purposes of this Agreement (and thus not of the Original Financing Agreement), 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.
2. “Consultant Guidelines” means, solely for the purposes of this Agreement (and thus not of the Original Financing Agreement), the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
3. “General Conditions” means, solely for the purposes of this Agreement (and thus not of the Original Financing Agreement), the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
4. “Original Financing” means the financing provided under the Original Financing Agreement.
5. “Original Financing Agreement” means the financing agreement for Emergency Infrastructure Rehabilitation and Energy Project, dated June 29, 2009 (Grant number H489-TG).
6. “Original Project” means the Project described in the Original Financing Agreement.
7. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
8. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 29, 2011 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.

Section II. Amendments to the Original Financing Agreement

The Original Financing Agreement is amended as set forth below:

1. **Schedule 1 Project Description** is deleted in its entirety and as set forth in Schedule 1 Project Description to this Agreement.
2. **Section II.A of Schedule 2** is amended to read as follows:
 - 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 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 one month after the end of the period covered by such report.
3. **Section IV.B.2 of Schedule 2** is amended to read as follows:
 2. The Closing Date is December 31, 2015.