

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 5926-CI

Financing Agreement

(Second Regional Trade Facilitation and Competitiveness
Development Policy Financing)

between

REPUBLIC OF CÔTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 11 9 DEC 2016 , 2016

CREDIT NUMBER 5926-CI

FINANCING AGREEMENT

11 9 DEC 2016

AGREEMENT dated _____, 2016, entered into between the REPUBLIC OF CÔTE D'IVOIRE ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Joint Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (a) the actions which the Recipient and the Partner (Burkina Faso) have already taken under the Joint Program and which are described in Section I of Schedule 1 to this Agreement; and (b) the Recipient's and the Partner's respective maintenance of an adequate macroeconomic policy framework in their respective countries. The Recipient and the Association therefore 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 or in the Appendix to this Agreement.
- 1.03. The Recipient acknowledges and agrees that this Financing is being provided as part of a regional Joint Program to be implemented in coordination with complementary financing from the Association to the Partner under the Joint Letter of Development Policy.

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 credit in the amount of forty-five million seven hundred thousand Euro (EUR 45,700,000) (variously, "Credit" and "Financing").
- 2.02. The Recipient may withdraw the proceeds of the Financing in support of the Joint Program in accordance with Section II of Schedule 1 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of

1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum.

- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.
- 2.08. The Payment Currency is Euro.
- 2.09. Without limitation upon the provisions of Section 4.08 of the General Conditions (renumbered as such pursuant to paragraph 4 of Section II of the Appendix to this Agreement and relating to *Cooperation and Consultation*), the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — JOINT PROGRAM

- 3.01. The Recipient declares its commitment to the Joint Program and the implementation of its part of the Joint Program. To this end, and further to Section 4.07 of the General Conditions (renumbered as such pursuant to paragraph 4 of Section II of the Appendix to this Agreement and relating to *Project Monitoring and Evaluation*):
 - (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out its part of the Joint Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out its part of the Joint Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Joint Program or any action taken under the Joint Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) a situation has arisen which shall make it improbable that the Joint Program, or a significant part of it, will be carried out; and/or
 - (b) the Association has suspended in whole or in part the right of the Partner to make withdrawals under the Partner Financing Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Association is satisfied with the progress achieved by both the Recipient and the Partner in carrying out the Joint Program and with the adequacy of the Recipient's and Partner's respective macroeconomic policy frameworks; and
 - (b) the Partner Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Partner to make withdrawals under it, other than effectiveness of this Agreement, have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister under the Prime Minister in charge of the Ministry of Economy and Finance, or his or her successor.

6.02. The Recipient's Address is:

Minister under the Prime Minister in charge of the Ministry of Economy and Finance
Ministry under the Prime Minister in charge of the Ministry of Economy and Finance
B.P. V. 163
Abidjan
Republic of Côte D'Ivoire

Facsimile:

225-20-30-25-25
225-20-30-25-28

6.03. The Association's Address is:

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

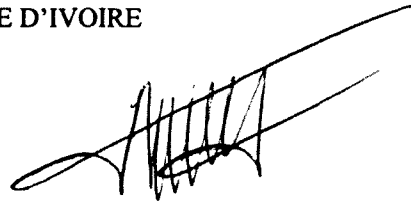
Facsimile:

1-202-477-6391

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

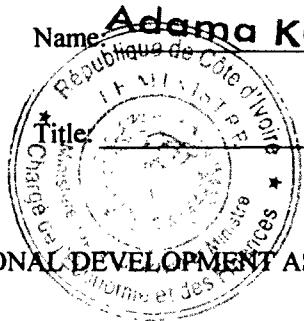
REPUBLIC OF CÔTE D'IVOIRE

By



Authorized Representative

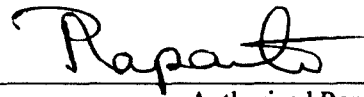
Name: Adama KONE



Title: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Pierre Laporte

Title: Country Director

SCHEDULE 1

Joint Program Actions; Availability of Financing Proceeds

Section I. Actions Under the Joint Program

A. **Actions Taken Under the Joint Program**

The actions taken by the Recipient under the Joint Program include the following:

1. Adoption by the Recipient of regulations (decrees and/or ministerial orders) strengthening the training system for road transport operators.
2. For purposes of applying WAEMU Regulation 14, and pursuant to the September 23 Declaration:
 - (a) Adoption by the Recipient of measures for the acquisition and refurbishment of truck weighing equipment; and
 - (b) Notification of increased sanctions for noncompliant operators.
3. For increasing efficiency of road transport operations, including relations between trucking companies and shippers:
 - (a) Mutual recognition of inter-State consignment notes by the Recipient and the Partner; and
 - (b) Signature by the Recipient and the Partner of a revised bilateral road transport agreement (*protocole d'accord*) dated May 12, 2016.
4. For increasing efficiency of truck fleets:
 - (a) Adoption by the Recipient of measures to support fleet renewal for compliant road transporters through provisions to facilitate access to credit; and
 - (b) Strengthening by the Recipient of the technical inspection of vehicles through the issuance of regulations, procedures or strategies.
5. Adoption by the Recipient of a ministerial order activating the Commission on Competitiveness of Ivoirian Ports (CCDPI) and commencement of meetings.

6. Establishment by the Recipient of a pilot Trade Information Web portal in support of Article 1 of the World Trade Organization's Trade Facilitation Agreement.
7. For modernizing border management procedures:
 - (a) Strengthening by the Recipient's customs administration of the risk management system through: (i) introduction of automated selectivity for customs controls; and (ii) modernization of post-clearance audits procedures.
 - (b) Adoption by the Recipient of a regulatory framework (decrees and/or ministerial orders) defining the criteria and functioning of an Authorized Economic Operator scheme.
8. Improvement of the Recipient's customs administration by strengthening: (i) its internal procedures for customs controls; and (ii) the oversight of licensed customs brokers.
9. Signing of an agreement (*protocole d'accord*) dated April 28, 2016 by the Recipient's and the Partner's customs administrations of a pilot interconnection system allowing single transit declaration at the point of departure for transit between the two countries.

Section II. Availability of Financing Proceeds

- A. **General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. **Allocation of Financing Amounts.** The Financing is allocated in a Single Withdrawal Tranche, from which the Recipient may make withdrawals of the Financing. The allocation of the amounts of the Financing to this end is set out in the table below:

<u>Allocations</u>	<u>Amount of the Financing Allocated (expressed in Euro)</u>
(1) Single Withdrawal Tranche	45,700,000
TOTAL AMOUNT	45,700,000

C. Withdrawal Tranche Release Conditions

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied with: (a) the Joint Program being carried out by the Recipient and the Partner; and (b) the adequacy of the Recipient's and the Partner's respective macroeconomic policy frameworks.

D. Deposits of Financing Amounts. Except as the Association may otherwise agree:

1. all withdrawals from the Financing Account shall be deposited by the Association into an account designated by the Recipient and acceptable to the Association; and
2. the Recipient shall ensure that upon each deposit of an amount of the Financing into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.

E. Excluded Expenditures. The Recipient undertakes that the proceeds of the Financing shall not be used to finance Excluded Expenditures. If the Association determines at any time that an amount of the Financing was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the Association, refund an amount equal to the amount of such payment to the Association. Amounts refunded to the Association upon such request shall be cancelled.

F. Closing Date. The Closing Date is December 31, 2017.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing April 15, 2022 to and including October 15, 2031	1.65%
commencing April 15, 2032 to and including October 15, 2041	3.35%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. "Authorized Economic Operator" and "AEO" means a party involved in the international movement of goods in whatever function that has been approved by, or on behalf of, a national customs administration as complying with the *World Customs Organization or equivalent supply chain security standards*. AEOs includes, *inter alia*, manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, and distributors.
2. "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
3. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
4. "Commission on Competitiveness of Ivorian Ports" means the *Commission de la Compétitivité et de Développement des Ports Ivoiriens*, as established by the Recipient's Order No. 005, from the Ministry of Transport, dated February 19, 2016, to monitor factors affecting the competitiveness of Ivorian ports, propose measures to improve competitiveness and traffic, and monitor their implementation.
5. "Excluded Expenditure" means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
 - (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;
 - (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.
6. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

7. “Joint Letter of Development Policy” means the letter dated November 7, 2016, from the Recipient together with the Partner to the Association, in joint support of the Joint Program under their respective financing agreements with the Association, declaring the Recipient’s and the Partner’s shared commitment to the execution of the Joint Program, and jointly requesting assistance from the Association in support of the Joint Program during its execution.
8. “Joint Program” means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the Joint Letter of Development Policy.
9. “Partner” means Burkina Faso, the other recipient of financing from the Association for the Joint Program.
10. “Partner Financing Agreement” means the financing agreement entered into by the Partner with the Association for actions, objectives and policies related to the Joint Program, as such agreement may be amended from time to time, and including all appendices, schedules and agreements supplemental thereto.
11. “September 23 Declaration” means the *Déclaration de la Réunion des Ministres en Charge des Infrastructures et du Transport Routier des Etats Membres de l’UEMOA et de la Guinée pour l’Evaluation de la Mise en Application du Règlement No 14/2005/CM/UEMOA du 16 décembre 2005 Relatif à l’Harmonisation des Normes et des Procédures du Contrôle du Gabarit, du Poids, et de la Charge à l’Essieu des Véhicules Lourds dans les Etats Membres de l’UEMOA* made on September 23, 2016 in Cotonou, Benin.
12. “Single Withdrawal Tranche” means the amount of the Financing allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
13. “Trade Information Web portal” means a primary website which provides all the information on regulatory requirements which need to be fulfilled to undertake international trade in conformity with Article 1 of the World Trade Organization Trade Facilitation Agreement.
14. “WAEMU” means the West African Economic and Monetary Union.
15. “WAEMU Regulation 14” means the *Règlement No 14/2005/CM/UEMOA du 16 décembre 2005 Relatif à l’Harmonisation des Normes et des Procédures du Contrôle du Gabarit, du Poids, et de la Charge à l’Essieu des Véhicules Lourds dans les Etats Membres de l’UEMOA*.
16. “World Trade Organization Trade Facilitation Agreement” means the Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization,

as adopted by the World Trade Organization General Council Decision of November 27, 2014.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.

2. Sections 2.04 (*Designated Accounts*) and 2.05 (*Eligible Expenditures*) are deleted in their entirety, and the subsequent Sections in Article II are renumbered accordingly.

3. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

4. Sections 4.01 (*Project Execution Generally*) and 4.09 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article IV are renumbered accordingly.

5. Paragraph (a) of Section 4.05 (renumbered as such pursuant to paragraph 4 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.

6. Paragraph (c) of Section 4.06 (renumbered as such pursuant to paragraph 4 above) is modified to read as follows:

“Section 4.06. *Plans; Documents; Records*

... (c) The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Financing until two years after the Closing Date. The Recipient shall enable the Association's representatives to examine such records."

7. Paragraph (c) of Section 4.07 (renumbered as such pursuant to paragraph 4 above) is modified to read as follows:

"Section 4.07. Program Monitoring and Evaluation

... (c) The Recipient shall prepare, or cause to be prepared, and furnish to the Association not later than six months after the Closing Date, a report of such scope and in such detail as the Association shall reasonably request, on the execution of its part of the Joint Program, the performance by the Recipient and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing."

8. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"'Eligible Expenditure' means any use to which the Financing is put in support of the Joint Program, other than to finance expenditures excluded pursuant to the Financing Agreement."

- (b) The term "Financial Statements" and its definition as set forth in the Appendix are deleted in their entirety.

- (c) The term "Financing Payment" is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

- (d) A new term called "Interest Charge" is added to read as follows:

"'Interest Charge' means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

- (e) The term "Payment Date" is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

- (f) The term "Project" is modified to read "Joint Program" and its definition is modified to read as follows:

"Joint Program" means the program referred to in the Financing Agreement in support of which the Financing is made." All references to "Project" throughout these General Conditions are deemed to be references to "Joint Program".

- (g) The term "Service Charge" is modified by replacing the reference to Section 3.02 with Section 3.02(a).