H. E. Daniel Kablan Duncan
Prime Minister,
Minister of Economy and Finance
Ministry of Economy and Finance
Abidjan, Côte d’Ivoire

Re: Republic of Côte d’Ivoire: JSDF Grant for the Social Inclusion and Improvement of Livelihoods of Youth, Vulnerable Women and Handicapped in Post Conflict Western Côte d’Ivoire Project
Grant No. TF019686

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Côte d’Ivoire (the Recipient), I am pleased to inform you that the International Development Association (“World Bank”), as administrator of grant funds provided by Japan (“Donor”) under the Japan Social Development Fund, proposes to extend to the Recipient, for the benefit of the Republic of Côte d’Ivoire (“Member Country”), a grant in an amount not to exceed two million seven hundred two thousand four hundred forty nine United States Dollars (U.S.$2,702,449) (“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 Donor. 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 Donor 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.

Please confirm the Recipient’s agreement with the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return 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 notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 4.02 of the Annex to this Agreement that the World Bank has accepted the supporting documents provided by the
Recipient to the World Bank to establish that the conditions of effectiveness listed in Section 4.01 of the Annex to this Agreement have been satisfied.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By________________________

Madani M. Tall
Country Director for Côte d’Ivoire
Africa Region

AGREED:
REPUBLIC OF COTE D’IVOIRE

By: ___________________________

Authorized Representative

Name: __________________________

Title: __________________________

Date: __________________________

Enclosures:

(2) Disbursement Letter 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
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 have the following meanings:

(a) "Beneficiary" means individuals who have been selected through a transparent mechanism, according to the selection criteria and mechanisms set forth in the Operational Manual to participate in the Project activities and/or implement a Micro-project.

(b) "Operational Manual" and "OM" each means the manual referred to in Section 2.03 (d) of this Agreement as said manual may be updated and/or amended from time to time with the agreement of the World Bank.

(c) "PIU" means the unit established within the Recipient’s ministry responsible for employment, social services and vocational training pursuant to the provisions of the Financing Agreement (Emergency Youth Employment and Skills Development Project) between the Recipient and the Association dated October 3, 2011 (Grant Number H734-CI).

(d) "Service Provider" has the meaning given to such term in Section 2.03(a) of this Annex.

(e) "Service Provider Agreement" has the meaning given to such term in Section 2.03(a) of this Annex.

(f) "Sub-Grant" means a grant to be made to a Beneficiary out of the proceeds of the Grant for a Sub-Project under Part 2(b)(i) and (c)(i) of the Project.

(g) "Sub-Grant Agreement" means the agreement to be entered into between the Recipient and a Beneficiary providing a Sub-Grant for a Sub-Project.

(h) "Sub-Project" means a specific set of activities to be carried out by a Beneficiary in accordance with the terms and conditions specified in the Operational Manual and the Sub-Grant Agreement.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project are to: (i) create better livelihoods through income generating labor for vulnerable and marginalized groups in the most western provinces of the Recipient’s territory: Le tonkpi, La Cavally, Le Guemon and Le Bafing; and
(ii) build social cohesion in a region torn by a decade of reoccurring conflict and violence. The Project consists of the following parts:

1. **Participatory Visioning and Planning**

Carrying out a program of activities, including: (i) outreach campaigns for the identification and selection of Project’s Beneficiaries; (ii) the development of Project’s governance and guiding principles; (iii) the development of a planning process for the implementation of micro-enterprise Sub-projects; and (iv) the preparation of an updated market study to explore opportunities to expand markets beyond the local geographic area.

2. **Community Based Reinsertion into the Job Market**

(a) Designing a two-pronged approach training program aimed to build the capacity of all participating groups, including: (i) training of professional facilitators who in turn will work hand-in-hand with champion counterparts to reach distant communities of the Recipient’s villages; and (ii) access to vocational training programs in collaboration with national government institutions.

(b) Supporting: (i) the development of reinsertion start-up kits to be provided free of charge to participating cooperatives with a request of 50% reimbursement of the purchase price; and (ii) the provision of training to cooperative members to enhance their basic skills of business planning and management.

(c) Supporting the development of revenue generating activities through: (i) the organization of savings and loans groups at the village level; (ii) the provision of special kits to facilitate the savings and loans process; (iii) the organization of training sessions by community-based facilitators; and (iv) the setting-up of a local governance structure with clearly defined roles and responsibilities to manage repayments.

(d) Linking project groups and the respective revenue activities into functioning value chains to ensure sound linkages between production and markets.

3. **Project Management, Monitoring and Evaluation and Knowledge Dissemination**

(a) Project management including: (i) procurement; (ii) administration cost management; (iii) financial management; and (iv) reporting and auditing.

(b) Monitoring and evaluation of the Project ("M&E"), including the development of an M&E plan and the carrying out of a baseline survey to ensure sound Project implementation at all levels.

(c) Carrying out of knowledge dissemination activities relating to the Project, including: (i) video-conference on south-south dialogues with peer countries on community based reinsertion programs; and (ii) knowledge sharing event with Japanese development practitioners.

(d) Carrying out of activities relevant to the completion of the Project’s audit.

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 PIU in
accordance with: (i) the provisions of Article II of the Standard Conditions; (ii) 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 (iii) this Article II.

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

**Institutional Arrangements**

(a) The Recipient shall maintain, throughout Project implementation, the Project implementation Unit (“Project Implementation Unit” or “PIU”) with terms of reference and resources satisfactory to the World Bank, and supported by qualified and experienced staff in adequate numbers, to be responsible for overall Project coordination and management.

**Service Provider Agreement**

(b) To facilitate the implementation of the Project, the Recipient shall enter into, and thereafter maintain (until such time as the parties hereto agree otherwise), an agreement (the “Service Provider Agreement”) in form and substance satisfactory to the World Bank with a service provider (the “Service Provider”), selected in accordance with Section 2.05 of this Annex, pursuant to which such Service Provider shall be responsible for the overall coordination of the revenue generating activities under the Project.

**Manual**

(c) The Recipient shall prepare and adopt an operational manual (“OM”) for the Project, satisfactory in form and substance to the World Bank, consisting of different schedules setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

(i) the description of Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto;

(ii) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents and the procurement thresholds in respect of the procurement methods set forth in Section 2.06 of this Annex and all associated reviews by the World Bank under this Project;

(iii) the overview of planned capacity building and training activities, including workshops and study tours, to be carried out for purposes of the Project;

(iv) the final form of the interim unaudited financial reports and Financial Statements for the Project and the terms of reference for the financial audits of the Project;

(v) the plan for the monitoring, evaluation and supervision of the Project, including all technical, environmental, and social aspects in relation thereto;
(vi) the eligibility criteria and procedures for the financing of the Sub-Projects; and

(vii) the performance indicators for the Project.

(d) The Recipient shall: (i) maintain the OM throughout Project implementation; (ii) take all measures necessary to ensure that the Project is carried out in conformity with the OM; and (iii) only amend the OM, from time to time, with the World Bank’s prior consent. Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce the OM or any respective provisions thereof.

(e) In the event of a conflict between any provision of the OM and this Agreement, the provisions of this Agreement shall prevail.

**Sub-Projects**

(f) For purposes of Part 2(b)(i) and (c)(i) of the Project, the Recipient shall make Sub-Grants to Beneficiaries for the purpose of financing Sub-Projects in accordance with eligibility criteria, Sub-Grant amounts and procedures acceptable to the World Bank and further described in the Project Implementation Manual.

(g) The Recipient shall make each Sub-Grant under a Sub-Grant Agreement with the respective Beneficiary in the form of the model agreement attached to the OM and on terms and conditions described in more details in the OM.

(h) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

(A) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Grant, or obtain a refund of all or any part of the amount of the Sub-Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-Grant Agreement;

(B) require each Beneficiary to:

(i) carry out the Sub-Project 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

(ii) provide, promptly as needed, the resources required for the purpose of the Sub-Project;

(iii) procure the goods, works and services to be financed out of the Sub-Grant 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 Sub-Project and the achievement of its objectives;

(v) if required under the OM: (x) 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 Sub-Project; and (y) 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 Sub-Project, its operation and any relevant records and documents;

(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; and

(viii) promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Sub-Project, or the performance by the Beneficiary of its obligations under the Sub-Grant Agreement.

(i) The Recipient shall exercise its rights under each Sub-Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-Grant Agreement or any of its provisions.

(j) Except as otherwise agreed in writing with the World Bank, the Recipient shall open and thereafter maintain on its books, in accordance with its normal financial procedures and on conditions satisfactory to the World Bank, a separate account to which it shall, any time applicable, credit each repayment of principal under a Sub-Grant upon receipt thereof.

(k) All amounts so credited to said separate account shall be utilized by the Recipient, exclusively to allow more Beneficiaries to gain access to the Project’s revenue generating activities.

2.04. 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 quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited
Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.05. **Procurement**

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


(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” dated 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of 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 International Competitive Bidding.

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

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in sub-paragraph (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) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the 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: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in U.S. $)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>88,392</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services (including audits)</td>
<td>430,333</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>246,086</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>937,894</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Sub-Grants</td>
<td>999,744</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,702,449</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section: (i) the term “Training” means training conducted in the territory of the Recipient, including purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees; and (ii) the term “Operating Costs” means operating costs required for the Project including consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service.

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 four years after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Effectiveness; Termination**

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

   (a) The Service Provider Agreement referred to in Section 2.03(a) of this Annex has been executed on behalf of the Recipient and the Service Provider and is legally binding upon each such party in accordance with its terms.

   (b) The Recipient has adopted the Project Operational Manual, in form and substance acceptable to the World Bank.

4.02. Except as the Recipient and the World Bank shall otherwise agree, the 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 4.01 of this Annex ("Effective Date"). 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 Grant 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 (or events) has (or have) ceased to exist.

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (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 V**

**Recipient’s Representative; Addresses**

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

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

Ministry of Economy and Finance
B.P. V 163
Av. Marchand - Immeuble SCIAM
Abidjan
Republic of Cote d’Ivoire

Facsimile:

+225 20 30 2528
5.03. **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: INDEVAS  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391