

Legal Department  
CONFIDENTIAL DRAFT  
(Subject to Change)  
Edith Mwenda/ Mekonnen Ayano  
July 20, 2011

NEGOTIATED

CREDIT NUMBER \_\_\_\_ -GH

# Financing Agreement

(Ghana Statistics Development Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

, 2011

*[Faint, illegible text, possibly a stamp or signature]*

**FINANCING AGREEMENT**

AGREEMENT dated \_\_\_\_\_, 2011, entered into between REPUBLIC OF GHANA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

WHEREAS; the Recipient and the Association, acting as an administrator of the Statistics for Results Facility Catalytic Fund (SRF-CF), intend to enter into a grant agreement (SRF-CF Grant Agreement) for the purpose of making a grant to the Recipient to assist in financing Parts A.1, B, C and D of the Project on the terms and conditions set forth in the SRF-CF Grant Agreement;

NOW THEREFORE, 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 or in the Appendix to this Agreement.

**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 an amount equivalent to eighteen million eight hundred thousand Special Drawing Rights (SDR 18,800,000) (variously, "Credit" and "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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are January 15 and July 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

### **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 Ghana Statistical Service (GSS) 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 Additional Conditions of Effectiveness consist of the following:
  - (a) the Recipient has prepared and adopted, in form and substance satisfactory to the Association, the Project Implementation Manual; and
  - (b) the SRF-CF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness or to the right of the Recipient to make withdrawals under said SRF-CF Grant Agreement (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.04. 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 its minister responsible for finance.

5.02. The Recipient's Address is:

Ministry of Finance and Economic Planning  
P.O. Box MB40  
Accra, Ghana

Cable:	Telex:	Facsimile:
ECONOMICON	2205 MIFAEP GH	233-30-2667069
Accra		233-30-2663854

5.03. The Association's Address is:

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

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

AGREED at \_\_\_\_\_, \_\_\_\_\_, as of the day and year first above written.

**REPUBLIC OF GHANA**

**By**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

**Authorized Representative**

**SCHEDULE 1**  
**Project Description**

The objective of the Project is to strengthen the National Statistical System in the production and dissemination of timely and robust statistics relevant for evidence-based policy-making and other uses.

The Project consists of the following parts:

Part A                    Institutional Reform and Organizational change

1.     Upgrading staff of the GSS and the professional statisticians of the national statistical system to reach minimum qualification levels and implementing a career development program for said staff, through the provision of training.
  
2.     Assisting the GSS to: (a) carry out a plan for the retrenchment or staff buy-out of up to 300 staff within a period of five years from the Effective Date; and (b) implement measures to mitigate the social impact of retrenchment, including implementing the terms of the Staff Retrenchment Manual through the provision of social, psychological, financial and professional counseling for retrenched GSS staff, as well as the provision of retraining and other forms of assistance as may be needed.

Part B                    Enhancing Statistical Capacity

1.     Building the capacity of the GSS at the national and regional level and strengthening the skills of the professional and non-professional staff of the statistical units, through the acquisition of goods, and provision of training in data collection, data production, data validation and data analysis, and training for trainers.
  
2.     Developing a master sampling framework from the calendar year 2010 population and housing census, central business register and housing census, including census post-enumeration mapping, and cartographic mapping, through the provision of technical advisory services and acquisition of goods.
  
3.     Investing in physical infrastructure of the MDAs' statistical units and the GSS headquarters and regional level units, including the provision of information communication and technology software and equipment; improving the information communication technology connectivity for data collection, data transfer and statistical information sharing; improving the management of information systems and enhancements in data collection tools; and providing information communication technology training to the staff of GSS and MDA statistics units.

Part C                    Data Production and Dissemination

1. Modernizing data collection techniques, improving the management of information systems by the MDAs and developing a national statistics databank, including: (a) improving quality control and assurance of the production and dissemination of national statistics; (b) developing a national databank or an information technology data center for official statistics; (c) establishing management information systems in the MDAs and linking them to the national databank; (d) introducing application of new technologies in data collections; (e) improving economic statistics including developing and implementing an integrated business enterprise survey; and (f) improving social demographic statistics.
  
2. Enhancing the communication of official statistics by: (a) creating a data dissemination and resource hub within the GSS; (b) strengthening the GSS public relations and communication functions; (c) providing training of the respective MDAs' communication and public relations units on the communication and dissemination of statistics; (d) conducting outreach activities to key stakeholders such as media, politicians, policy makers, and academia; (e) developing an official national statistics website; (f) developing a release calendar for national statistics; (g) developing a publications and dissemination policy; (h) re-establishing a national advisory committee for users and producers of statistics as a technical committee; (i) developing performance agreements between MDAs and the GSS on the sharing of data and clarification of roles and responsibilities; and (j) establishing a society of official statisticians, all through the provision of technical advisory services and training.

Part D                    Project Management and Monitoring and Evaluation

Strengthening and developing the GSS's institutional capacity for Project management, coordination, monitoring and evaluation, including preparation of Project reports, processing of contracts and tender evaluation, coordination of participating MDAs, training of staff in Project management and implementation support, and related activities on Project management and implementation, all through the provision of technical advisory services, training, operating costs and acquisition of goods.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### 1. National Statistical System Steering Committee

- (a) The Recipient shall, not later than three months after the Effective Date, establish and maintain thereafter at all times during the implementation of the Project, a National Statistical System Steering Committee (NSS Steering Committee), with a composition, mandate, and resources satisfactory to the Association.
- (b) Without limitation to sub-paragraph (a) of this paragraph, the NSS Steering Committee shall be responsible for providing oversight and policy direction including: (i) reviewing and endorsing for approval by the Association of the Annual Work Plans and Budgets, and ensuring their consistency with the Project Implementation Manual; (ii) reviewing progress made towards achieving the Project's objective; (iii) facilitating coordination, collaboration, and cooperation among the MDAs in Project implementation, and making recommendations for removal of any obstacles to the implementation of the Project; and (iv) providing comments on reports and reviews prepared by the PDMG for the benefit of the Association.

##### 2. The GSS (Program Development and Management Group)

- (a) The Recipient shall maintain, at all times during the implementation of the Project, the GSS, and the Program Development and Management Group (PDMG) within the GSS, with functions, staffing and resources satisfactory to the Association.
- (b) Without limitation to the provisions of Section I.A.1 of this Schedule, the GSS through the PDMG shall be responsible for day-to-day administration of overall planning, coordination, technical, fiduciary (*i.e.*, procurement and financial management), consolidation of Annual Work Plans and Budgets, coordination, monitoring, evaluation, reporting and communication activities under the Project, all in accordance with the provisions of this Agreement and the Project Implementation Manual.

**B. Project Implementation Manual**

1. The Recipient shall carry out the Project in accordance with the arrangements, procedures and guidelines set out in the Project Implementation Manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
2. The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association.

**C. Annual Work Plans and Budgets**

1. The Recipient shall prepare and furnish to the Association for its approval, not later than November 1 of each year during the implementation of the Project, a proposed annual work plan and budget containing all activities proposed to be carried out under the Project in the following Fiscal Year.
2. Each such proposed annual work plan and budget shall specify, among the activities, any training activities that may be required under the Project, including: (a) the type of training; (b) the purpose of the training; (c) the category of personnel to be trained; (d) the institution or individual who will conduct the training; (e) the location and duration of the training; (f) the cost of the training; and (g) the outcome and impact of the training.
3. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed consolidated annual work plan and budget, and thereafter shall implement the Project or cause it to be implemented with due diligence in accordance with such annual work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").

**D. Anti-Corruption**

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

**E. Execution Covenants for Part A.2 of the Project (Retrenchment of the Eligible Employees of GSS)**

1. Without prejudice to the provisions of the laws of the Recipient, the Recipient shall, in a form and substance satisfactory to the Association, through GSS, carry out the retrenchment of Eligible Employees of GSS in accordance with the Staff Retrenchment Manual.
2. The Recipient shall ensure that the staff retrenched under the Project shall not, for a period of two (2) years from the date of retrenchment, be re-employed in the GSS. To this end, the Recipient, in coordination with the GSS, shall employ independent auditors satisfactory to the Association, to verify that the retrenched staff are not re-employed by the GSS within said period.
3. The Recipient shall, not later than ninety (90) days from the date of disbursement made from the proceeds of the Credit for Severance Payments, furnish to the Association a report, duly certified by independent auditors satisfactory to the Association, confirming that such payments were indeed made to Eligible Employees of GSS.

**Section II. Project Monitoring, Reporting and Evaluation**

**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 six months, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
2. Not later than one month prior to the mid-term review, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
3. Not later than thirty six (36) months after the Effective Date, the Recipient shall, through the GSS and in conjunction with the Association undertake a comprehensive mid-term review of the Project during which it shall exchange views with the Association generally on all matters relating to the progress of the Project and the performance by the Recipient of its obligations under this Agreement, having regard to the performance indicators referred to in paragraph 1 of this Section A.1.

4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objective of the Project or otherwise agreed upon between the parties.

**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. The Recipient shall prepare and furnish to the Association not later than 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 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 of the Recipient. 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.

**C. Specific Covenant Relating to Audit**

The Recipient shall, not later than six months after the Effective Date, appoint the independent auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of Section III of this Schedule.

**Section III. Procurement**

**A. General**

1. **Goods and Non- Consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of

particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Non- Consulting Services**

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. Other Methods of Procurement of Goods and Non-Consulting Services. The following methods, other than International Competitive Bidding, may be used for goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding (*subject to the additional procedures in paragraph 3 below*); (b) Shopping; and (c) Direct Contracting.
3. **National Competitive Bidding (NCB) procedures:-** The following additional provisions shall apply to NCB for goods, works and non-consulting services under the Project: (a) foreign bidders shall be allowed to participate in the NCB procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid, or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Credit shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines.

**C. Particular Methods of Procurement of Consultants' Services**

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality and Cost-based Selection, may be used for 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) Selection based on Consultants' Qualifications; (d) Least-Cost Selection; (e) Selection of Individual Consultants; (f) Sole Source Procedures for

selection of firms; and (g) Sole Source Procedures for the Selection of Individual Consultants.

**D. Review by the Association of Procurement Decisions**

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.
2. All terms of reference for consultants' services, regardless of contract value, shall be subject to the Association's prior review.

**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:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, consultants' services, non-consulting services and Training under Parts A.1, B, C and D of the Project	12,400,000	67%

(2) Severance Payments under Component A.2 of the Project	4,100,000	100%
(3) Operating Costs under Part D of the Project	800,000	100%
Unallocated	1,500,000	
<b>Total Amount</b>	<b>18,800,000</b>	

For the purpose of this Section IV.A.2:

- (a) the term "Training" means the cost associated with the training and workshops, based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.C of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses; and
- (b) the term "Operating Costs" means the incremental expenses incurred under Part D of the Project on account of Project implementation, based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.C of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel and *per diem*, excluding the salaries of the Recipient's civil service.

**B. Withdrawal Conditions; Withdrawal Period**

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or

- (b) expenditures under Category (2) for Severance Payments unless: (i) the Recipient shall have furnished to the Association a list of eligible GSS employees to be retrenched including, for each individual employee, the total amount of severance payments due under the retrenchment program specified in the Staff Retrenchment Manual, as well as the retrenchment notification processes for each individual employee, duly certified by an independent audit firm employed by GSS under terms and conditions satisfactory to the Association; and (ii) the GSS shall have furnished to the Association an analysis demonstrating, among other matters, the GSS' compliance with all relevant laws of the Recipient, regulations, and collective bargaining agreements, as well as with satisfactory oversight arrangements for effecting the retrenchment.
2. The Closing Date is August 31, 2016.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each January 15 and July 15:	
commencing January 15, 2022 to and including July 15, 2031	1%
commencing January 15, 2032 to and including July 15, 2051	2%

\* 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

### Definitions

1. "Anti-Corruption Guidelines" means 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. "Annual Work Plans and Budgets" means the consolidated work plan and budget for the Project prepared annually by MDAs, and consolidated by the PDMG (as hereinafter defined) and approved by the Association in accordance with Section LC of Schedule 2 to this Agreement.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "Consultant Guidelines" means 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.
5. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
6. "Ghana Statistical Service" and "GSS" means the statistical service established and operating pursuant to the Statistical Service Act, 1985, PNDC Law No. 135 of the Recipient.
7. "Eligible Employees of GSS" means employees of GSS eligible to receive retirement or retrenchment benefits in accordance with the laws of the Recipient.
8. "Fiscal Year" means the fiscal year of the Recipient beginning on January 1 and ending December 31 of each year.
9. "MDA" means the Recipient's ministries, departments and agencies.
10. "National Statistical System" and "NSS" means the Recipient's statistical system including the GSS, statistical units in the MDAs, and other relevant institutions, and the procedures pertaining to the production and dissemination of statistics.
11. "National Statistical System Steering Committee" or "NSS Steering Committee" means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.