

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H627-BF
FPCR CORE TF GRANT NUMBER TF098016-BF

Financing Agreement

**(West Africa Agricultural Productivity Program (WAAPP) –
Burkina Faso Project under the First Phase of the WAAPP)**

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 25, 2011

Public Disclosure Authorized

**GRANT NUMBER H627-BF
FPCR CORE TF GRANT NUMBER TF098016-BF**

FINANCING AGREEMENT

AGREEMENT dated January 25, 2011, entered into between BURKINA FASO (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Association, by extending financial assistance in 2007 to the Republic of Mali, the Republic of Ghana and the Republic of Senegal, has provided support to precedent activities under the first phase of the West Africa Agricultural Productivity Program (“Program”) which aims at: (i) implementing the Agricultural Policy (“ECOWAP”, as further defined in Section I of the Appendix to this Agreement) of the Economic Community of West African States (“ECOWAS”); and (ii) contributing to the sustained agricultural productivity increase in the ECOWAS region’s top priority commodity subsectors;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project (“Project”, as described in Schedule 1 hereto) under the first phase of the Program, has requested the Association to assist in the financing of the Project;

(C) by a financing agreement to be entered into between the Republic of Côte d’Ivoire (“Côte d’Ivoire”) and the Association (“Côte d’Ivoire Financing Agreement”, as further defined in Section I of the Appendix to this Agreement), the Association will extend to Côte d’Ivoire a grant in an amount equivalent to nineteen million eight hundred thousand Special Drawing Rights (SDR 19,800,000) to assist Côte d’Ivoire in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Côte d’Ivoire Financing Agreement;

(D) by a financing agreement to be entered into between the Federal Republic of Nigeria (“Nigeria”) and the Association (“Nigeria Financing Agreement”, as further defined in Section I of the Appendix to this Agreement), the Association will extend to Nigeria a credit in an amount equivalent to twenty-nine million seven hundred thousand Special Drawing Rights (SDR 29,700,000) to assist Nigeria in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Nigeria Financing Agreement;

(E) Parts 1.2, 1.5, 3.1 (a) and 4 (i) of the Project will be carried out by *Le Conseil Ouest et Centre Africain pour la Recherche et le Développement Agricoles* (“CORAF” or “Project Implementing Entity”) with the Recipient’s assistance and, as part of such assistance, the Recipient will make a portion of the proceeds of the grant

provided for in Article II of this Agreement available to CORAF as set forth in this Agreement;

(F) certain donors intend to make available financial assistance to the Recipient under the Multi-Donor Trust Fund for Food Price Crisis Response (“FPCR”) Core in an amount equal to six million dollars (\$6,000,000) (“Co-financing”, as further defined in Section I of the Appendix to this Agreement) to assist the Recipient in financing part of the cost of Parts 3.2 and 3.3 of the Project on the terms and conditions set forth in the co-financing agreement to be entered into between the Recipient and the International Bank for Reconstruction and Development (“Bank”) and the Association, acting as administrator of the Multi-Donor Trust Fund for FPCR Core (“Co-financing Agreement”, as further defined in Section I of the Appendix to this Agreement); and

(G) certain donors also intend to make available financial assistance to CORAF under the Multi-Donor Trust Fund for FPCR Core in an amount equal to one million dollars (\$1,000,000) (“CORAF Co-financing”, as further defined in Section I of the Appendix to this Agreement) to assist CORAF in financing part of the cost of Part 3.4 of the Project on the terms and conditions set forth in a grant agreement to be entered into between the Bank and the Association, acting as administrator of the Multi-Donor Trust Fund for FPCR Core, and CORAF (“CORAF Grant Agreement”, as further defined in Section I of the Appendix to this Agreement);

WHEREAS the Association has also agreed, on the basis, *inter alia*, of the foregoing, to extend the grant provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Association and CORAF (“Project 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 Section I of 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 Preamble 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 grant in an amount equivalent to nine million nine hundred thousand Special Drawing Rights (SDR9,900,000) (the “Financing”) to assist in financing the 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 May 1 and November 1 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (i) carry out Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project through the PCU; and (ii) pursuant to the Subsidiary Grant Agreement, cause Parts 1.2, 1.5, 3.1 (a) and 4(i) of the Project to be carried out by CORAF in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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: (i) Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project are carried out in accordance with the provisions of Schedule 2 to this Agreement; and (ii) adequate and timely budgetary resources are in place at all times for the continued financial support and viability of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project, including, without limitation, the provision to the PCU, beginning with the Fiscal Year 2011 and for each following Fiscal Year until Project completion, of counterpart funds in an annual amount equivalent to four hundred thousand Dollars (\$400,000).

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) CORAF's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of CORAF to perform any of its obligations under the Project Agreement.
 - (b) Either the Côte d'Ivoire Financing Agreement or the Nigeria Financing Agreement shall have failed to become effective by July 31, 2011, or such later date as the Association shall establish by notice to the Recipient.

- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement and the CORAF Grant Agreement is July 31, 2011.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Grant Agreement has been executed on behalf of the Recipient and CORAF.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Grant Agreement has been duly authorized by the Recipient and CORAF and is legally binding upon the Recipient and CORAF in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. 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 (20) years after the date of this Agreement.

ARTICLE VI— REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister at the time responsible for finance.
- 6.02. The Recipient's Address is:

Ministry of Economy and Finance
(Ministère de l'Economie et des Finances)
03 BP 7050
Ouagadougou 03
Burkina Faso

Cable:	Telex:	Facsimile:
SEGEGOUV	5555	(226) 50-31-27-15

- 6.03. 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 Washington, D.C.	248423 (MCI)	(1) 202-477-6391

AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

BURKINA FASO

By

/s/ Lucien Marie Noël Bembamba
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Galina Y. Sotirova
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to generate and accelerate adoption of improved technologies in the Participating Countries' top agricultural commodity priorities areas that are aligned with the sub-region's top agricultural commodity priorities as outlined in the ECOWAP.

The Project constitutes part of the first phase of the Program, and consists of the following parts:

Part 1: Enabling Conditions for Sub-Regional Cooperation in Generation, Dissemination and Adoption of Agricultural Technologies

Carrying out of a program to strengthen the mechanisms and procedures for generation, dissemination and adoption of improved agricultural technologies and tools by the Recipient so as to allow the Recipient and the ECOWAS member countries to benefit from the said technologies within the framework of a sub-regional technical and scientific cooperation, encompassing the provision of goods, consultants' services, training, and the financing of operational costs required for:

1. the development of a sustainable financing mechanism for the existing Competitive Agricultural Research Grant (CARG) systems and an appropriate institutional arrangement for the generation, dissemination and adoption of improved and resilient agricultural technologies, through: (i) the development of suitable legislation harmonized with legislation of the other Participating Countries; (ii) the preparation of similarly harmonized manuals of procedures for such financing mechanism's effective, transparent, and participatory management; and (iii) the setting up of suitable monitoring and evaluation systems adequate to supervise and, thereby, ensure the profitable performance of the financing mechanism and its accompanying institutional arrangements;
2. the strengthening of CORAF's knowledge management, information and communication systems through: (i) the establishment of an efficient communication and information network system linking the Participating Countries; (ii) the upgrading of skills in information and communications technology and knowledge management, the consolidation of information available in various other data bases both at the national and sub-regional levels, and the provision to end-users of easy access to appropriate responses in real time; and (iii) the development of a data base on agricultural research skills;
3. the establishment of sub-regional regulations on genetic materials and agrochemicals through: (i) the development and adoption of regulations on fertilizer use and handling under preparation by ECOWAS which are harmonized

with regulations of the other Participating Countries and the dissemination of the existing regulations on pesticide and genetic materials management; (ii) the evaluation of existing policies, rules and procedures on the exchange of technologies; and (iii) the delivery of workshops and seminars designed to ensure the participation of producers and agro-industrials in the formulation of regulations;

4. the strengthening of the *Comité National des Semences* and the *Commission Nationale de Contrôle des Pesticides* to ensure the effective release of genetic materials, pesticides and management of intellectual property rights (IPR), through: (i) the revision, as necessary, of the Recipient's procedures thereon in order to align them with sub-regional directives; (ii) the implementation of these procedures for the release, dissemination and adoption of new technologies; (iii) the documentation and the recording of the characteristics of technologies and the constitution of catalogues for proven and released technologies; (iv) the promotion of these technologies through various media; (v) the strengthening of the harmonization of procedures and analysis of IPR issues; and (vi) the promotion and the facilitation of access by non Participating Countries to improved technologies developed in the Participating Countries; and
5. the development by CORAF of a strategy to mainstream climate change considerations in research and development programs carried out by the Participating Countries, including: (i) the organization of a training program for researchers on climate change; (ii) the adoption of a screening tool for the CARG schemes to ensure research proposals take into account climate change issues; (iii) the assessment of the vulnerability of priority commodities to climate change; (iv) the promotion of relevant technologies to mitigate climate change impact; and (v) the development of a strategy to mainstream gender considerations in research and development programs using similar tools to those for mainstreaming climate change.

Part 2: National Centers of Specialization (NCOS)

Strengthening of the operational capacities of the national agricultural research systems in one national priority area of each Participating Country which is aligned to regional priorities, specifically through the strengthening of the *Institut de l'Environnement et de Recherches Agricoles* (INERA) and the carrying out of a program encompassing the provision of works, goods, consultants' services, training (including academic training), and the financing of operational costs and Small Grants required for:

1. the development and implementation of INERA's core research and development dissemination programs, including: (i) the implementation, through the provision of Small Grants, of research activities to assess available technologies from within or outside the Recipient's territory; (ii) the elaboration and implementation of dissemination and communication plans on readily available

technologies; and (iii) the development of programs on adaptation and generation of new technologies and adequate responses to other constraints along the value chain;

2. the enhancement of the capacity building of research scientists and the facilitation of national, sub-regional and international partnerships, including the carrying out of research exchange programs, the provision of training to young researchers, and the implementation of the annual capacity building plans;
3. the construction and rehabilitation of INERA's selected core facilities and the provision of equipment required for the purpose; and
4. the carrying out of value chain analysis, impact studies, benchmarking, and monitoring and impact analysis for commissioned or strategic research.

Part 3: Funding of Demand-Driven Technology Generation and Adoption

Carrying out of a program aimed to accelerate the adoption of readily available technologies and the generation and dissemination of adapted technologies in top national and regional priority commodities in Participating Countries and at the sub-regional level, through the funding of CORAF's and the national existing CARG schemes, encompassing the provision of works, goods, consultants' services, training, and the financing of operational costs and Grants for:

1. Competitive Agricultural Research Schemes for Technology Generation and Dissemination
 - (a) Regional Window: expansion of CORAF's CARG scheme through the financing of Grants to carry out research projects that benefit the entire ECOWAS region.
 - (b) National Window: expansion of CNRST's CARG scheme through the financing of Grants to complement ongoing and future research and development activities within the Recipient's territory.
2. Accelerated Adoption of Released Technologies

Improvement of the adoption of released technologies in order to bridge the yield gap between producers and research and reinforcement of the dissemination of technologies generated under the Project, through: (i) the carrying out of stakeholder workshops for the preparation of national dissemination action plans for released technologies; (ii) the promotion of released technologies, using various media to improve knowledge and scale up application of the technologies; (iii) the introduction of information technology in the technology transfer system; (iv) the provision of training on released technologies for

extension service providers (including national extension services, non-governmental organizations, input providers, farmer organizations and other stakeholders) through the use of participatory strategies and mechanisms; and (v) the delivery of field demonstrations of released technologies.

3. Facilitating Access to Improved Genetic Material

Expansion of the availability to, and access of, producers to improved genetic materials of seeds, planting materials, fingerlings, other breed stock and the like, entailing: (i) the development and improvement of the Recipient's gene banks with a view to manage biodiversity and climate change through better conservation of its genetic assets; (ii) the upgrading of the capacity of selected public research stations to produce and store breeder seeds through investments in irrigation facilities, lab and storage equipment; (iii) the scaling up of the production of certified seeds by small and medium enterprises and farmers organizations; (iv) the strengthening of the production and quality capacity of seed companies and seed producers; (v) the development of a network to link seed producers to variety development programs so as to facilitate producers' access to improved varieties and the provision of mini-kits of improved seeds to producers to quick-start dissemination; (vi) the promotion of the information and technology communications necessary to develop the network of seed producers and end seed users, including the provision of up-to-date information on improved varieties potentially beneficial to small farmers; and (vii) the strengthening of the capacity for seed quality assurance of the Recipient's *Services Semenciers de l' Administration*.

4. Development of a Yield Prediction Tool

Development by CORAF of a real-time dynamic yield-prediction tool to assist farmers on the choice of future crops, including the setting up of the web tool during its operational phase, the organization of a regional launching workshop, the provision of training to researchers and other stakeholders on the use of the tool, and the carrying out of monitoring and evaluation activities for the purpose.

Part 4: Project Coordination, Management, Monitoring and Evaluation

Establishment of an effective coordination, management, monitoring and evaluation system for the Project at both: (i) the regional; and (ii) the national levels, thereby ensuring the implementation at each level of suitable financial management and procurement systems by CORAF, the PCU and CNRST, timely reporting on Project's activities, accurate monitoring and evaluation of regional and national agricultural productivity, and carrying out of a communication strategy, all through the provision of vehicles and goods, consultants' services, training, and the financing of operational costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Ministry of Agriculture, Water and Fisheries Resources

The Recipient, through its MAWFR, shall assure overall coordination of the Project is carried out by the PCU.

2. Steering Committee

The Recipient, through the MAWFR, shall, not later than three (3) months after the Effective Date, establish and, thereafter maintain throughout Project implementation, a national steering committee under terms of reference satisfactory to the Association vested with responsibility for providing policy guidance and for overseeing Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project (“Steering Committee”). The Steering Committee shall be chaired by the Recipient’s Minister of Agriculture, Water and Fisheries Resources (or his/her designee) and its composition shall include representatives from the government, stakeholders, farmers and the private sector. The Steering Committee shall meet at least twice each Fiscal Year to undertake, *inter alia*, the review and approval of the draft AWP&B and the approval of the annual report to be prepared by the Project Coordinator not later than October 31 each year to follow-up on, and assess the progress in, the carrying out of the precedent AWP&B.

3. Project Coordination Unit

The Recipient, through the MAWFR, shall maintain throughout Project implementation the Project Coordination Unit (“PCU”), headed by the Project Coordinator, under its *Secrétariat general* under terms of reference and staffed in number and with qualifications satisfactory to the Association, thereby ensuring that the PCU (acting as the National Coordination Unit), oversee and take all measures necessary for the suitable and timely implementation of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project pursuant to the provisions of this Agreement, including without limitation: (i) in general, the coordination and management of the Financing and the carrying out of the procurement, monitoring, evaluation and reporting functions; and (ii) in particular, the assessment of impacts and systematic analysis of lessons learnt and the monitoring of the overall progress in implementing agricultural research activities undertaken within the NARS. The Recipient, through the Minister of Agriculture, Water and Fisheries Resources, appoints and maintains the Project Coordinator to oversee daily implementation of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project and to manage the PCU, which shall comprise any additional staff that may be necessary,

particularly in the accounting and procurement areas, for the successful implementation of the Project. For such purposes, the Recipient shall, not later than three (3) months after the Effective Date: (i) recruit for the PCU an accountant and a financial controller on the basis of terms of reference and with qualifications and experience satisfactory to the Association; and (ii) acquire the accounting system to be used for the Project.

B. Implementation Modalities

1. Parts 1.3 and 1.4 of the Project: Establishment of Regional Regulations on Genetic Materials and Agrochemicals and Strengthening of the *Comité National des Semences* and the *Commission Nationale de Contrôle des Pesticides*

For the purposes of carrying out Parts 1.3 and 1.4 of the Project, the PCU shall conclude with each concerned Directorate of the MAWFR, a result-based memorandum of understanding under terms and conditions satisfactory to the Association: (i) entrusting responsibility for implementation of such Parts of the Project to the relevant Directorate; and (ii) setting forth the implementation details and the Directorate's undertaking to assure the efficient carrying out of such Parts of the Project.

2. Part 2 of the Project: National Centers of Specialization (NCOS)

For the purposes of carrying out Part 2 of the Project, the PCU shall enter into an agreement (*convention de gestion*) with INERA and IRSAT whereby the PCU shall: (i) entrust to INERA and IRSAT, as the case may be, its implementation responsibilities thereunder; and (ii) ensure Part 2 is carried out by INERA and IRSAT as planned in the AWP&B and in accordance with the provisions of the Project Implementation Manual.

3. Small Grants under Part 2.1 of the Project and Grants under Part 3.1(b) of the Project

- (a) Small Grants under Part 2.1 of the Project shall be managed and monitored by INERA pursuant to the provisions of the Project Implementation Manual and within the framework of the AWP&B, and shall be made available to Beneficiaries through INERA on the basis of the specific Research Proposals previously validated by the CNRST and included and approved in the AWP&B to finance an amount not exceeding the total estimated cost of the activities it will finance.
- (b) The national CARG scheme under Part 3.1(b) of the Project shall be managed and monitored by the CNRST in accordance with an agreement (*convention de gestion*) to be concluded between the PCU and the CNRST and pursuant to the procedures of, and under the terms and conditions set forth in, the CNRST Manual of Procedures for the CARG. CNRST shall: (i) evaluate the Grant applications; (ii) decide on which Grants shall receive financing under the Financing; (iii) approve the

Grant for disbursement, ensuring it will not exceed the total estimated cost of the activities it will finance and, thereafter, conclude the Grant Agreement with each Beneficiary; and (iv) not assign, amend, abrogate or waive the CNRST Manual of Procedures for the CARG or any of its provisions without the Association's prior agreement.

- (c) Without any limitation upon the provisions of the preceding paragraphs (a) and (b), the Recipient shall take all action necessary to ensure that, in making Small Grants and Grants available, as the case may be, CNRST shall obtain rights adequate to protect the interests of the Recipient and those of the Association, including the right:
 - (i) to suspend or terminate the right of the Beneficiary to use the proceeds of the Small Grant or Grant, as the case may be, or obtain a refund of all or any part of the amount of the Small Grant or Grant then withdrawn, as the case may be, upon the Beneficiary's failure to perform any of its obligations, respectively, under the Research Proposal or Grant Agreement; and
 - (ii) to require each Beneficiary: (A) to carry out the activities for which the Small Grant or Grant, as the case may be, was given with due diligence and efficiency and in accordance with sound agricultural, technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient, and under the terms and conditions stipulated in the Project Implementation Manual or CNRST Manual of Procedures for the CARG, as the case may be; (B) to provide, promptly as needed, the resources required for the purpose of the Small Grant or Grant, as the case may be; (C) to procure the goods, works and services to be financed out of the proceeds of the Small Grant or Grant, as the case may be, in accordance with the provisions of this Agreement; (D) (1) to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Small Grant or Grant, as the case may be; and (2) at the Association's or the Recipient's request, to have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the

Association; (E) upon reasonable request, to enable the Recipient and the Association to inspect the activities, its operation and any relevant records and documents; and (F) to prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

- (d) The Recipient shall take all measures necessary to ensure that CNRST, when and as appropriate, shall exercise its rights under each Research Proposal or Grant Agreement, as the case may be, in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

4. Parts 3.2 and 3.3 of the Project: Support to Accelerated Adoption of Released Technologies and Facilitating Access to Improved Genetic Material

The Recipient, through the PCU, shall carry out Parts 3.2 and 3.3 of the Project through contractual arrangements to be concluded with suitable advisory service providers in accordance with the provisions of the Project Implementation Manual.

5. Selection of Facilities and Stations under Parts 2.3 and 3.3 (ii) of the Project

In order to maximize the benefits to be derived from the Project, the Recipient, through the PCU, shall:

- (a) select: (i) INERA's core facilities proposed to be constructed and rehabilitated under Part 2.3 of the Project; and (ii) the public research stations proposed to be upgraded under Part 3.3 (ii) of the Project, applying the following criterion: the facility or the station has been identified by INERA's management on the basis of consultations carried out with its researchers during the preparation of the priority list of works and during the validation of the design of the works; and
- (b) thereafter, furnish to the Association for approval for financing out of the proceeds of the Financing the facilities and stations as so selected.

6. Project Implementation Manual

The Recipient, through the PCU shall: (i) take all action required to carry out Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and updates of the Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objective of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project; and (iii) not assign, amend, abrogate or

waive the Project Implementation Manual or any of its provisions without the Association's prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

7. Training under Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project

For the purposes of the training (including academic training) to be financed under Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project and to be delivered through study tours, workshops, seminars, conferences, and on the job training, the Recipient shall:

- (a) furnish to the Association for its approval, not later than January 31 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;
- (b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and
- (c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

8. Annual Work Program and Budget (AWP&B)

The Recipient, through the PCU, shall:

- (a) prepare a draft AWP&B for each Fiscal Year, setting forth, *inter alia*: (i) a detailed description of planned activities for Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;
- (b) not later than November 30 of each Fiscal Year and after considering the comments provided by the Steering Committee, furnish to the Association for its comments and approval, the draft AWP&B and, promptly thereafter, finalize the AWP&B taking into account the Association's views and recommendations thereon; and
- (c) adopt and sign the final version of the AWP&B in the form approved by the Association not later than December 31 of such Fiscal Year.

9. CORAF Arrangements: Subsidiary Grant Agreement

- (a) For the purposes of carrying out Parts 1.2, 1.5, 3.1(a) and 4 (i) of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Categories (2)(a) and (4) available to CORAF on a grant basis under a subsidiary grant agreement to be entered into between the Recipient and CORAF, under terms and conditions approved by the Association (“Subsidiary Grant Agreement”).
- (b) The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any of its provisions.

10. External Auditor

The Recipient shall, not later than four (4) months after the Effective Date, recruit an external auditor for the PCU on the basis of terms of reference and with qualifications and experience satisfactory to the Association.

C. Anti-Corruption

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

D. Safeguards Covenants

1. Works under Parts 2.3 and 3.3 (ii) of the Project

Prior to the award of each contract for works under Parts 2.3 or 3.3 (ii) of the Project, the Recipient, through the PCU, shall: (i) furnish to the Association a written attestation for the specific site where the works will be undertaken that the works shall not cause or result in Resettlement; (ii) submit to the Association for its review and approval the related site-specific Environmental and Social Impact Assessment (ESIA) or Environment and Social Management Plan (ESMP), as the case may be, in accordance with the provisions of the ESMF and in form and substance satisfactory to the Association; (iii) disclose the site-specific ESIA or ESMP as approved by the Association; and (iv) thereafter, ensure that the relevant mitigation and monitoring provisions of the ESIA or ESMP, as the case may be, are appropriately included in the works contract concluded for the site and that they are implemented in the carrying out of Parts 2.3 and 3.3(ii) of the Project.

2. Pest Management Plan

The Recipient, through the PCU, shall follow and apply at all times in the implementation of Parts 2 and 3 of the Project the provisions of the Pest Management Plan in a timely manner, ensuring that: (i) mitigation and monitoring measures acceptable to the Association are designed and implemented with due diligence and employing appropriate environmental expertise; and (ii) adequate information on the implementation of the measures contained in the PMP is appropriately included in the Progress Reports referred to below in Section II.A.1.

3. Environmental and Social Screening Arrangements

The Recipient shall take all measures required on its behalf so that INERA or the CNRST, as the case may be: (i) screen, under Parts 2.1 and 3.1 (b) of the Project, the activities under the Research Proposals and Grants proposals submitted for financing out of the proceeds of the Financing and establish that such activities avoid Resettlement; (ii) ensure that each Beneficiary: (A) carry out an appropriate site-specific Environmental and Social Impact Assessment (ESIA) or Environment and Social Management Plan (ESMP), as the case may be, for each such activities in accordance with the provisions of the ESMF and in form and substance satisfactory to INERA or the CNRST, as the case may be; and (B) disclose the site-specific ESIA or ESMP as approved by INERA or CNRST, as the case may be; (iii) verify (through its own staff, outside experts, or existing environmental/social institutions) before approving the Research Proposal or Grant proposal that the activities meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Association's applicable environmental and social assessment and safeguard policies and comply with the environmental and social review procedures set forth in the Project Implementation Manual or the CNRST Manual of Procedures for the CARG, as the case may be; and (iv) thereafter, ensure that the relevant mitigation and monitoring provisions of the ESIA or ESMP, as the case may be, are appropriately implemented.

4. Biosafety Requirements

The Recipient shall carry out Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project pursuant to its obligations under, and in accordance with environmental safeguards and international good practice and standards consistent with those of, the Cartagena Protocol on Biosafety.

Section II. Project Monitoring, Reporting and Evaluation

A. Project and Completion Reports

1. The Recipient, through the PCU, shall monitor and evaluate the progress of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) 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 the National Monitoring and Evaluation Indicators. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association and CORAF not later than forty-five (45) days after the end of the period covered by such report.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (ii) of the Project and related plan required pursuant to that Section shall be furnished to the Association and CORAF not later than four (4) months before the Closing Date.

B. Mid-Term Review

The Recipient, through the PCU, shall:

- (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the National Monitoring and Evaluation Indicators, the carrying out of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project and the achievement of the objective thereof;
- (b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about March 31, 2013, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review with the Association, on or about April 30, 2013, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

C. Financial Management, Financial Reports and Audits

1. The Recipient, through the PCU, 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 upon the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, interim

unaudited financial reports for Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4(ii) of the Project covering the semester, 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 (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Services (Other than Consultants' Services).** All goods, works and services (other than 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 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, Works and Services (Other than Consultants' Services)

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and services (other than consultants' services) shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Services (Other than Consultants' Services).** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and services (other than consultants' services). The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods	
(a)	National Competitive Bidding
(b)	Shopping
(c)	Direct Contracting

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods	
(a)	Quality-Based Selection
(b)	Selection under a Fixed-Budget
(c)	Least-Cost Selection
(d)	Selection Based on Consultants' Qualifications
(e)	Single Source Selection
(f)	Individual Consultants
(g)	Sole-source basis for individual consultants

D. Review by the Association of Procurement Decisions

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.

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, 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 Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works under Parts 2.3 and 3.3(ii) of the Project	500,000	100%
(2) Goods, consultants’ services, training and Operational Costs: (a) under Parts 1.2, 1.5 and 4 (i) of the Project (b) under Parts 3.2 and 3.3 of the Project (c) under Parts 1.1, 1.3, 1.4, 2, and 4 (ii) of the Project	220,000 3,000,000 1,980,000	16.66% 43% 100%
(3) Small Grants under Part 2.1 of the Project and Grants under Part 3.1 (b) of the Project	3,750,000	100% of the research costs covered by the Small Grant or Grant
(4) Grants under Part 3.1 (a) of the Project	450,000	16.66 % of the research costs covered by the Grant
TOTAL AMOUNT	9,900,000	

3. For the purposes of this Section, the term “Operational Costs” means expenditures incurred by CORAF and the PCU to finance the cost under the Project of: (i) salaries of the staff of CORAF and the PCU (excluding civil servants) and state contributions thereon; (ii) per diem and travel expenses of the staff to perform their responsibilities under the Project; (iii) fuel and vehicle maintenance and insurance; (iv) communication technology (including, without limitation, internet and telephone); (v) building security and maintenance; (vi) translation services, photocopies and publications; (vii) bank commissions; and (viii) utilities and office supplies.

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, except that withdrawals up to an aggregate amount not to exceed the equivalent of SDR 500,000 may be made for payments made within one year prior to this date but on or after October 1, 2009, for Eligible Expenditures under Category (1), (2), (3) and (4).
2. The Closing Date is June 30, 2016.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” and “AWP&B” mean the annual work plan and budget to be prepared on an annual basis by the PCU (as hereinafter defined).
2. “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, with the modifications set forth in Section III of this Appendix.
3. “Beneficiary” means: (i) a physical or legal person qualified to receive a Grant (as hereinafter defined) under the CORAF’s Manual of Procedures for Management of Competitive Funds (as hereinafter defined) or the CNRST Manual of Procedures for the CARG (as hereinafter defined), as the case may be; and (ii) a researcher which, according to the Project Implementation Manual (as hereinafter defined), qualifies as a Project beneficiary under Part 2.1 of the Project; and “Beneficiaries” means more than one Beneficiary.
4. “CARG” means the existing scheme of Competitive Agricultural Research Grants, a sub-regional and national financing mechanism aimed at financing competitive grants in the agriculture sector.
5. “Cartagena Protocol on Biosafety” means the document adopted in Montreal, Canada, on January 29, 2000, as a Protocol to the 1992 Nairobi Convention on Biological Diversity, the objective of which is to contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of genetically modified organisms resulting from modern biotechnologies that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focussing on transboundary movements.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “*Centre National de la Recherche Scientifique et Technologique*” and “CNRST” mean the Recipient’s center responsible for coordinating research institutions in the Recipient’s territory and for hosting competitive research grants.
8. “CNRST Manual of Procedures for the CARG” means CNRST’s Manual setting forth the procedures for and the terms and conditions for its competitive grants dated March 15, 2010, as the same may be amended from time to time in a manner satisfactory to the Association.

9. “Co-financier” means any of the donors contributing to the Multi-Donor Trust Fund for Food Price Crisis Response Core and referred to in paragraph 10 of the Appendix to the General Conditions.
10. “Co-financing” means an amount equal to six million Dollars (\$6,000,000) to be provided by the Co-financier to assist in financing Parts 3.2 and 3.3 of the Project.
11. “Co-financing Agreement” means the grant agreement to be entered into between the Recipient and the International Bank for Reconstruction and Development and the International Development Association, acting as administrator of the Multi-Donor Trust Fund for Food Price Crisis Response Core, providing for the Co-financing.
12. “*Commission Nationale de Contrôle des Pesticides*” means one of the Recipient’s entities operating as its national registration committee for the agriculture sector.
13. “*Comité National des Semences*” means one of the Recipient’s entities operating as its national registration committee for the agriculture sector.
14. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
15. “CORAF” means the West and Central Africa Council for Agricultural Research and Development, an organization aimed to improve the efficiency and effectiveness of small-scale producers and to promote the agribusiness sector.
16. “CORAF Co-financing” means an amount equal to one million Dollars (\$1,000,000) to be provided by the Co-financier to CORAF to assist in financing Part 3.4 of the Project.
17. “CORAF Grant Agreement” means the grant agreement to be entered into between the International Bank for Reconstruction and Development and the International Development Association, acting as administrator of the Multi-Donor Trust Fund for Food Price Crisis Response Core, and CORAF, providing for the CORAF Co-financing.
18. “CORAF’s Legislation” means collectively the Registration Act (*enregistrement*) of the Republic of Senegal MAE No. 0892 MAESE dated December 20, 1989, CORAF’s Statutes dated June 2008, and CORAF’s Governance Manual dated June 20, 2008, pursuant to which CORAF has been established and is functioning.

19. “CORAF’s Manual of Procedures for Management of Competitive Funds” means the Manual of Procedures for Management of Competitive Funds adopted by CORAF in March 2004, as the same may be amended from time to time in a manner satisfactory to the Association.
20. “Côte d’Ivoire Financing Agreement” means the financing agreement for activities related to the Project to be entered into between Côte d’Ivoire and the Association, as such financing agreement may be amended from time to time. “Côte d’Ivoire Financing Agreement” includes all appendices, schedules and agreements supplemental to the Côte d’Ivoire Financing Agreement.
21. “ECOWAP” means ECOWAS’ Agricultural Policy adopted by the Heads of States of the ECOWAS’s member countries on January 19, 2005.
22. “Environmental and Social Management Framework” and “ESMF” means the Recipient’s framework dated March 9, 2010, which: (i) sets forth standards, methods and procedures specifying how technological research activities under the Project whose location, number and scale are presently unknown shall systematically address environmental and social issues in the screening and categorization, sitting, design, implementation and monitoring phases during Project implementation; (ii) systematizes the environmental and social impact assessment required for such activities before Project execution; and (iii) stipulates the procedures for conducting site-specific environmental impact assessments, be they limited environmental impact assessments or full environmental impact assessment.
23. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s or CORAF’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.
24. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
25. “Grant” means a grant made or proposed to be made by CORAF or CNRST, as the case may be, to a Beneficiary under, respectively, Parts 3.1 (a) or 3.1(b) of the Project.
26. “Grant Agreement” means the agreement between CORAF or CNRST, as the case may be, and a Beneficiary for the purposes of providing a Grant under, respectively, Parts 3.1 (a) or 3.1(b) of the Project.

27. “*Institut de l’Environnement et de Recherches Agricoles*” and “INERA” means the Recipient’s national center of specialization responsible for research in mango and onion.
28. “MAWFR” means the Recipient’s Ministry of Agriculture, Water and Fisheries Resources, or any successor thereto.
29. “National Agricultural Research and Advisory Systems” and “NARS” mean the Recipient’s system encompassing: (i) national agricultural research; (ii) national extension agencies or departments involved in training and dissemination activities; (iii) producer organizations; and (iv) regulatory agencies and providers of seed and breed services.
30. “National Coordination Unit” or “NCU” means the Project Coordinating Unit (as hereinafter defined).
31. “National Monitoring and Evaluation Indicators” means the agreed monitoring and evaluation indicators set forth in the Project Implementation Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Parts 1.1, 1.3, 1.4, 2, 3.1(b), 3.2, 3.3 and 4 (i) of the Project and the degree to which the objectives thereof are being achieved.
32. “Nigeria Financing Agreement” means the financing agreement for activities related to the Project to be entered into between Nigeria and the Association, as such financing agreement may be amended from time to time. “Nigeria Financing Agreement” includes all appendices, schedules and agreements supplemental to the Nigeria Financing Agreement.
33. “Participating Countries” mean collectively the Participating Countries, being the Recipient, Côte d’Ivoire, and Nigeria; and “Participating Country” means individually each and any of the Participating Countries.
34. “Pest Management Plan” and “PMP” means the Recipient’s plan dated March 9, 2010, which: (i) addresses the concerns relating to the Project risks associated with potential increases in the use of pesticides for agricultural production, intensification and diversification and controlling disease vector populations arising from irrigation schemes; (ii) sets forth mitigation and monitoring measures to be taken during Project implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels; (iii) recommends institutional measures to strengthen national capacities to implement the mitigation and monitoring measures; and (iv) as part of the implementation arrangements, identifies national agencies and other partners that could play a vital role in the success of the Project.

35. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010.
36. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 2, 2010, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
37. “Project Coordinating Unit” and “PCU” means the Unit established by the Recipient under the *Secrétariat général* of the MAWFR pursuant to the provisions of the Financing Agreement between the Recipient and the Association (Agricultural Diversification and Market Development Project) dated June 22, 2006, for Credit No. 4195-BUR.
38. “Project Coordinator” means the Coordinator of the PCU.
39. “Project Implementation Manual” means the manual adopted by the Recipient through the PCU on March 15, 2010, for the purposes of defining the detailed implementation arrangements for the Project, and setting forth, *inter alia*: (i) the detailed Project staffing plan for each stakeholder; and (ii) the Project monitoring and evaluation modalities, as the same may be amended from time to time with the agreement of the Association.
40. “Research Proposal” means the signed research agreement between INERA and a Beneficiary for the purposes of providing a Small Grant under Part 2.1 of the Project.
41. “Resettlement” means: (i) the involuntary (i.e., an action that may be taken without a person’s informed consent or power of choice) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected person, and encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those who continue living inside the park or protected area during and after Project implementation.
42. “*Services Semenciers de l’ Administration*” means the seed services of the MAWFR.
43. “Small Grant” means a grant made or proposed to be made by INERA to a Beneficiary under Part 2.1 of the Project.

44. “Subsidiary Grant Agreement” means the agreement pursuant to which the Recipient shall make a portion of the proceeds of the Financing available to CORAF.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Paragraph 10 of the Appendix (**Definitions**) is modified to read as follows:

“10. “Co-financier” means the financier, including the Bank and/or the Association acting as administrator of funds provided by the financier, referred to in Section 6.02 (h) providing the Co-financing. If the Financing Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.”

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the

Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”