

AGREEMENT RELATED TO CREDIT NUMBER 2281 BUR

Norwegian Grant Agreement

(Structural Adjustment Credit)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of development  
aid funds provided by

the Royal Ministry of Foreign Affairs of  
the Kingdom of Norway

Dated August 22, 1994

AGREEMENT RELATED TO CREDIT NUMBER 2281 BUR

NORWEGIAN GRANT AGREEMENT

AGREEMENT, dated August 22, 1994, between BURKINA FASO (the "Grantee") and INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association") acting as Administrator (the "Administrator") of the Norwegian Grant (as hereinafter defined) provided by the Royal Ministry of Foreign Affairs of the Kingdom of Norway ("Norway").

WHEREAS: (A) the Grantee and the Association have entered into a Development Credit Agreement, dated July 5, 1991 (the "Development Credit Agreement"), whereby the Association has agreed to provide a credit to finance parts of the imports required during the execution of the Grantee's Structural Adjustment Program (the "Project");

(B) the Grantee has requested the assistance of Norway in the financing of parts of the Project;

(C) Norway has agreed to make available a grant (the "Norwegian Grant") through the Administrator to the Grantee to assist in the financing of the Project, on the terms and conditions hereinafter set forth;

(D) by an agreement between Norway and the Association (the "Administration Agreement"), Norway has requested the Association, and the Association has accepted, to administer the Norwegian Grant in accordance with the provisions of the Administration Agreement;

(E) the Grantee acknowledges that the financial assistance extended to the

Grantee under this Agreement (the "Norwegian Grant Agreement") shall be considered as part of the bilateral development aid extended by Norway to the Grantee; and

(F) the Administrator has agreed on the basis, inter alia, of the foregoing to extend the Norwegian Grant to the Grantee in support of the Project, upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (the "General Conditions") constitute an integral part of this Agreement subject, however, to the following modifications thereof:

(a) the term "Association", whenever used in the General Conditions, means the International Development Association acting as Administrator of the Norwegian Grant pursuant to the Cofinancing and Technical Assistance Framework Agreement dated March 9, 1994 (Framework Agreement), except in the phrase "member of the Association" in Sections 2.01 (5), 4.02 (b) and 6.02 (e);

(b) the term "Development Credit Agreement", whenever used in the General Conditions, means the Norwegian Grant Agreement;

(c) the term "Credit", whenever used in the General Conditions, means the Norwegian Grant;

(d) the term "Credit Account", whenever used in the General Conditions, means the trust account opened by the Administrator in its books in the name of the Grantee to which the amount of the Norwegian Grant is credited (the "Trust Account");

(e) in Section 6.02 the term "Association" shall also include the Association acting in its own capacity;

(f) Section 9.06 (c) shall be modified to read:

"(c) Not later than six months after the Closing Date, or such later date as may be agreed for this purpose between the Grantee and the Administrator, the Grantee shall prepare and furnish to the Administrator a report of such scope and in such detail as the Administrator shall reasonably request, on the execution of the Project referred to in the Preamble to the Norwegian Grant Agreement, the performance by the Grantee and the Administrator of their respective obligations under the Norwegian Grant Agreement and the accomplishment of the purposes of the Norwegian Grant."; and

(g) Sections 3.02, 3.03, 3.04, 3.05, 4.02, 4.03, 4.04, 4.06, 6.05, 7.01, 8.01 (a), and Article XII are deleted.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions, in the Framework Agreement, and in the Preamble to this Agreement, have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) "Norwegian Kroner" or "NOK" means the currency of Norway; and

(b) "CFA Franc" or "CFAF" means the currency of the Grantee.

## ARTICLE II

### The Grant

Section 2.01. The Administrator agrees to extend to the Grantee, on the terms and conditions herein set forth or referred to, a grant in an amount of thirteen million Norwegian Kroner (NOK 13,000,000) or such other amount as shall have been made available by Norway to the Administrator for this purpose pursuant to the Administration Agreement.

Section 2.02. (a) The amount of the Norwegian Grant may be withdrawn from the

Trust Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Grantee and the Administrator for expenditures made (or, if the Administrator shall so agree, to be made) in respect of the reasonable cost of the goods required for the Project.

(b) Notwithstanding the provisions of paragraph (a) above, no withdrawals shall be made in respect of payments for taxes levied by, or in the territory of, the Grantee on goods, or in the importation, manufacture, procurement or supply thereof.

Section 2.03. (a) Goods to be financed out of the proceeds of the Norwegian Grant shall be procured under contracts awarded in accordance with procedures satisfactory to the Administrator on the basis of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992, as amended by the provisions of Schedule 2 to the Development Credit Agreement referring to the Guidelines published in May 1985, *mutatis mutandis*; such Schedule to govern procurement procedures with the exception of the references to the Special Account therein.

(b) In the procurement of goods in accordance with the Project, the Borrower shall use the relevant standard bidding documents issued by the Association, with such modifications thereto as the Association shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued by the Association, the Borrower shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

(c) If the Administrator shall have reasonably determined that the procurement of any item is inconsistent with the procedures set forth or referred to in paragraphs (a) and (b) above, no expenditures for such item shall be financed out of the proceeds of the Norwegian Grant, and the Administrator may, without in any way restricting or limiting any other right, power or remedy of the Administrator under this Agreement, by notice to the Grantee, cancel such amount of the Norwegian Grant as, in the Administrator's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Norwegian Grant.

Section 2.04. The Closing Date shall be June 30, 1995 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Grantee of such later date.

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Grantee declares its commitment to the objectives of the Project and, to this end, shall carry out the Project through the Ministry of Finance and Planning, with due diligence and efficiency and in conformity with appropriate administrative, financial and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) BCEAO is designated as a representative of the Grantee for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Norwegian Grant Agreement and Article V of the General Conditions.

### ARTICLE IV

#### Financial Covenants

Section 4.01. (a) The Grantee shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Grantee responsible for carrying out the Project or any part thereof.

(b) The Grantee shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied by independent auditors acceptable to the Administrator;
- (ii) furnish to the Administrator as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of

such scope and in such detail as the Administrator shall have reasonably requested; and

(iii) furnish to the Administrator such other information concerning said records, accounts and the audit thereof as the Administrator shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Trust Account were made on the basis of statements of expenditure, the Grantee shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Administrator has received the audit for the fiscal year in which the last withdrawal from the Trust Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Administrator's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Representative; Transfer of Rights and Obligations

Section 5.01. The Minister of the Grantee responsible for Finances and Planning shall be the representative of the Grantee for the purposes of Section 11.03 of the General Conditions.

Section 5.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Grantee:

Ministère de l' Economie, des Finances et du Plan  
B.P. 7008  
Ouagadougou  
Burkina Faso

Telex:

5555 SEGEGOUV

For the Administrator:

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

Cable address:

INDEVAS  
Washington, D.C.

Telex:

197688 (TRT)  
248423 (RCA) or  
64145 (WUI)

Section 5.03. In accordance with the provisions of the Administration Agreement, the rights and obligations of the Administrator under this Agreement may be transferred to Norway. The Grantee accepts and agrees that, upon notice by the Administrator to the Grantee to that effect, Norway shall, ipso facto, from the date specified in such notice, be substituted in all rights and obligations of the

Administrator under this Agreement as if Norway had been an original party to this Agreement, without any further action or formality required on the part of any party, and from such date the Administrator shall cease to have any rights or obligations as a party under this Agreement.

#### ARTICLE VI

##### Effectiveness

Section 6.01. This Agreement shall become effective as of the date first above written or the date of the Administration Agreement, whichever is the later, and shall continue in effect until the Norwegian Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

BURKINA FASO

By /s/ Gaëtan Ouédraogo

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of the Norwegian Grant

By /s/ Stephen M. Denning

Acting Regional Vice President  
Africa

#### SCHEDULE

##### Withdrawal of the Proceeds of the Credit

1. Subject to the provisions set forth or referred to in this Schedule, the proceeds of the Grant may be withdrawn from the Trust Account for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods required during the execution of the Project and to be financed out of such proceeds.

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) expenditures for goods included in the following SITC groups or sub-groups, or any successor groups or sub-groups under future revisions to the SITC, as designated by the Association by notice to the Grantee:

Group	Sub-group	Description of Items
112	-	Alcoholic beverages
121	-	Tobacco, unmanufactured, tobacco refuse
122	-	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	-	Radioactive and associated materials
667	-	Pearls, precious and semi- precious stones, unworked or

		worked
718	718.7	Nuclear reactors, and parts thereof, fuel elements (cartridges), non-irradiated for nuclear reactors
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971	-	Gold, non-monetary (excluding gold ores and concentrates)

(b) expenditures in the currency of the Grantee or for goods supplied from the territory of the Grantee, excluding, if the currency of the Grantee is also that of another country, expenditures in such currency for goods supplied from the territory of such other country;

(c) payments made for expenditures prior to the date of this Agreement, except that withdrawals may be made on account of payments made for such expenditures before that date but after September 17, 1991;

(d) expenditures for goods procured under contracts costing less than \$5,000 equivalent;

(e) expenditures for goods supplied under a contract which any national or international financing institution or agency other than the Administrator shall have agreed to finance; and

(f) expenditures for goods intended for a military or para-military purpose or for luxury consumption.

