



CREDIT NUMBER 7413-BF

Financing Agreement

(Secondary Cities Urban Mobility and Development Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



CREDIT NUMBER 7413-BF

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between BURKINA FASO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of one hundred and eighty-one million three hundred thousand Euros EUR 181,300,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are 15 May and 15 November in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Euro.

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 the Ministry of Transport, Urban Mobility and Road Safety (“MTMUSR”), in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has established the Project Management Unit in accordance with Section I. A. 2 of Schedule 2 to this Agreement.
 - (b) The Recipient has prepared and adopted a Project Implementation Manual, in accordance with Section I. B of Schedule 2 to this Agreement.
 - (c) The Recipient has prepared, consulted upon, disclosed, and adopted three Environmental and Social Impact Assessments (ESIA) in accordance with Section I. G of Schedule 2 to this Agreement and the ESCP.
 - (d) The Recipient has recruited or appointed a Project coordinator, an environmental specialist, a social development specialist, a security specialist, a financial management specialist and a procurement specialist to the Project Management Unit, in accordance with Section I.A.2.(a) of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister in charge of finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of the Economy, Finance and Prospective
395, Avenue du 11 décembre
01 BP 7008
Ouagadougou 01
Burkina Faso; and

- (b) the Recipient's Electronic Address is:

Telex: 5555 Facsimile: (+226) 25-31-27-15

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

BURKINA FASO

By



Authorized Representative

Name: _____
Aboubakar NACANABO

Title: _____
Minister of Economy, Finance and forecasting

Date: _____
20-Oct-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: _____
Clara de Sousa

Title: _____
CD

Date: _____
18-Oct-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve urban mobility, access to basic services and economic opportunities, and strengthen institutional capacity for urban management in selected Secondary Cities in Burkina Faso.

The Project consists of the following parts:

Part 1: Urban Mobility Services and Infrastructure

1.1 Urban Mobility Services

- (a) Provision of technical assistance to undertake the policy reforms necessary to integrate transport operators (taxis, non-motorized three-wheelers (3W)) in Bobo Dioulasso into a comprehensive public transit system to provide last mile connectivity and facilitate modal shift from private cars to cleaner transport modes.
- (b) Provision of technical assistance and support for the modernization and capacity strengthening of SOTRACO, through: (i) the design of an electric bus fleet acquisition mechanism; (ii) the development and carrying out of public private partnership subprojects (“PPP Subprojects”), including the financial analysis, business model and bidding documents thereof; (iii) the financing of electric buses through PPP Financing; (iv) carrying out of technical studies for bus network restructuring; and (v) acquisition of, and Training on software for the improvement of bus operation, exploitation, and maintenance.
- (c) (i) Provision of technical assistance for designing, monitoring and documenting a pilot for a Matching Grant facility for the provision of Matching Grants to support the acquisition of approximately 150 electric three-wheelers (e3W) to improve access to bus network, as well as the maintenance and availability of charging points and spare parts for the e3Ws, with the aim of promoting the use of clean transport modes in Bobo Dioulasso; and (ii) Provision of Matching Grants to Matching Grant Beneficiaries.
- (d) Support to the implementation of a gender action plan with recommendations and specific measures to improve the quality of transport services and women’s employment in the transport sector, as well as a communication campaign and women’s training.

1.2 Urban Mobility Infrastructure

Provision of technical assistance for: (a) the rehabilitation and paving of approximately 60 km of climate resilient urban roads in Secondary Cities with a

strong focus on accessibility, road safety and facilities dedicated for trips made by non-motorized transport; (b) the construction of climate resilient and energy efficient intermodal parking lots and infrastructure to support the modal shift to non-motorized transport and public transport systems and efficient freight logistics; and (c) the construction of climate resilient bus facilities, well-lit bus stops equipped with passenger information systems, seats, and solar panels.

1.3 Road Safety

- (a) Technical assistance and capacity building for the improvement and digitization of the Recipient's crash data collection system.
- (b) Technical assistance for the development of a road safety inspection for selected urban roads.
- (c) Support for the implementation of the recommendations of road safety inspections and road safety screening.

Part 2: Urban Infrastructure and Basic Services

2.1 Urban Infrastructure for Better Living Conditions

Provision of technical assistance and support for spatially-based construction, rehabilitation, and climate-resilient upgrading of infrastructure in selected Secondary Cities, including: (a) the construction, rehabilitation, and maintenance of stormwater infrastructure, (b) the rehabilitation and improvement of public spaces, the creation of new or the preservation of existing urban forests, green areas, playgrounds, squares with seating areas, riverfronts, pedestrian walkways; including energy efficient street lighting; (c) classrooms and restrooms fully electrified by solar panels; and (d) energy efficiency rehabilitation of Kaya's municipality building.

2.2 Urban Infrastructure and Capacity Building for Economic Opportunities

Support to the rehabilitation of economic infrastructures including small local markets, urban and gardening perimeters in selected key areas, and provision of support for women groups and socio- professional associations to improve their access to economic opportunities.

2.3 Prevention, Monitoring, and Mitigation of Sexual Exploitation and Abuse, and Gender-Based Violence

Promotion and support for Gender-Based Violence (GBV) prevention activities, including the assessment of needs and available services in the selected Secondary Cities, Training, community awareness campaigns, and provision of support services.

Part 3. Institutional Strengthening

- (a) Support to the update and improvement of existing urban mobility and urban development planning frameworks, as well as institutional strengthening, and capacity building for urban development for selected Secondary Cities.
- (b) (i) support the establishment in Bobo Dioulasso of a consultation platform to coordinate national and local actions, as well as the establishment and operationalization of a municipal agency for major works (AMGT) and of the Urban Transport organizing authority (AOTU); (ii) technical assistance to the Municipalities for core municipal management functions; (iii) support the creation and the development of a climate-informed Transport Asset Management System (TAMS); and (iv) support for the development of a master's program in transport and urban mobility to address identified gaps in competencies.

Part 4. Project Management Support

- (a) Support to the PMU for Project coordination, implementation, supervision, financial management, procurement, audits, communication and outreach, environmental and social management (including supervision of the ESCP and GM as well as updating of the SMPs), and capacity building of staff.
- (b) Monitoring and evaluation including costs associated with data collection, monitoring and reporting of project performance indicators, and steering committee meetings and technical meetings as well as an impact evaluation.

Part 5. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Ministry of Transport, Urban Mobility and Road Safety (MTMUSR)

1. The Recipient shall designate the overall project implementation and management to MTMUSR. To this end, MTMUSR shall coordinate with other ministries and relevant entities.

Project Management Unit

2. The Recipient shall establish and thereafter maintain throughout the Project implementation period a project management unit (“PMU”), within the MTMUSR, with composition, mandate and resources satisfactory to the Association. To this end, the PMU shall:
 - (a) Recruit and hire a Project coordinator, an environmental specialist, a social development specialist, a security specialist, a financial management specialist and a procurement specialist, each with qualifications, experience and terms of reference, acceptable to the Association;
 - (b) recruit and hire no later than three (3) months after the Effective Date, or such later date as agreed by the Association, and thereafter maintain throughout Project implementation period: (i) two (2) accountants, and (ii) one internal auditor, (iii) an urban mobility specialist, (iv) an urban development specialist, and (v) a monitoring and evaluation specialist, each with qualifications, experience and terms of reference, acceptable to the Association;
 - (c) recruit and hire no later than six (6) months after the Effective Date, or such later date as agreed by the Association, an external auditor, with qualifications, experience and terms of reference, acceptable to the Association;
 - (d) recruit and hire no later than three (3) months after Effective Date, or such later date as agreed by the Association, a Project management assistance firm to assist selected Municipalities under Part 2 of the Project, with qualifications, experience and terms of reference, acceptable to the Association.

- (e) No later than three (3) months after the Effective Date, or such later date as agreed by the Association, establish a protocol to govern the collaboration with the specialized agencies involved in the implementation of activities under the Project.
- (f) be responsible for day-to-day coordination of the Project activities, including *inter alia*: (i) carrying out Project financial management and procurement activities; (ii) monitoring and evaluating Project activities and preparing Project progress reports and monitoring and evaluation reports; (iii) ensuring compliance with the Environmental and Social Commitment Plan (“ESCP”) and Environmental and Social Standards for Project activities; and (iv) coordinating with other stakeholders and Service Providers involved in Project implementation.

Technical Committee

- 3. The Recipient shall, no later than three (3) months after the Effective Date, or such later date as agreed with the Association, establish and thereafter maintain throughout the Project implementation period, a technical committee, with composition, mandate and resources satisfactory to the Association (“Technical Committee”).
- 4. The Technical Committee shall report to the PMU, and shall be responsible for, *inter alia*, (i) monitoring the implementation of the Project and advising on any adjustments needed to ensure effective implementation; and (ii) preparing and monitoring Annual Work Plans and Budgets.

Steering Committee

- 5. The Recipient shall, no later than two (2) months after the Effective Date, or such later date as agreed with the Association, establish and thereafter maintain, throughout the Project implementation period, a steering committee with composition, mandate and resources satisfactory to the Association, a steering committee, to be chaired by the Minister of MTMUSR, and comprised of members from, *inter alia*, the Ministry of Urban Planning, Land Affairs and Housing, the Ministry of Solidarity, Humanitarian Action, National Reconciliation, Gender and the Family, the Ministry of National Education, Literacy and the Promotion of National Languages, the Ministry of Infrastructures, sector stakeholders, Municipalities and other entities as deemed relevant for the Project (“Steering Committee”).
- 6. The Steering Committee shall be responsible for, *inter alia*, providing strategic guidance to the Project, approve annual work programs and budgets, and ensure coordination with other programs.

B. Service Provider

1. In order to facilitate the implementation of Part 1.1(c) of the Project, the Recipient shall:
 - (a) enter into an agreement (“Service Provider Agreement”) with a service provider, with qualifications and experience satisfactory to the Association (“Service Provider”), in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the PIM;
 - (b) ensure that all activities to be undertaken by said Service Provider under the Service Provider Agreement shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association and in accordance with the Matching Grant Manual; and
 - (c) ensure that the Service Provider exercise its rights and carry out its obligations under the Service Provider Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive, or permit the Service Provider to assign, amend, abrogate or waive the Service Provider Agreement or any of the provisions thereof.

C. Project Implementation Manual (“PIM”), Matching Grant Manual and PPP Manual

1.
 - (a) The Recipient shall prepare in accordance with terms of reference acceptable to the Association, an implementation manual for the Project, containing, *inter alia*, detailed arrangements and procedures for: (i) implementation arrangements; (ii) administrative, financial management, accounting, and disbursement mechanisms, procedures and protocols; (iii) procurement; (iv) environmental and social aspects; (v) monitoring and evaluation; and (vi) grievance redress mechanism; and (vii) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation (“Project Implementation Manual” or “PIM”).
 - (b) The Recipient shall afford the Association a reasonable opportunity to review such manual and shall thereafter adopt said manual as shall have been approved by the Association.

- (c) The Recipient shall carry out the Project in accordance with the PIM and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.
- 2.
 - (a) The Recipient shall prepare in accordance with terms of reference acceptable to the Association a manual for the Matching Grants, which shall include detailed guidelines, procedures (including on financial management), as well as detailed procedures for the assessment, provision and supervision of Matching Grants including eligibility criteria and a template agreement for the Matching Grants (“Matching Grant Manual”).
 - (b) The Recipient shall carry out and shall cause the Service Provider to carry out activities under Part 1.1(c) of the Project in accordance with the Matching Grant Manual, and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.
- 3.
 - (a) The Recipient shall prepare in accordance with terms of reference acceptable to the Association a manual for the financing mechanism for public-private partnerships (“PPP Financing”) which shall include detailed guidelines, procedures including on financial management, budgeting (costs and fees, if any), procurement, and reporting, detailed procedures and criteria of selection of buses to be acquired under the PPP Financing, financing modalities, funds flow processes, financial and accounting procedures (“PPP Manual”).
 - (b) The Recipient shall carry out and shall cause the Service Provider to carry out activities under Part 1.1 (b) (v) of the Project in accordance with the PPP Manual, and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.
- 4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM, the Matching Grant Manual and the PPP Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plans and Budget (“AWPB”)

- 1. Without limitation to the obligations set forth in Section I.B above, the Recipient shall, not later than three (3) months after the Effective Date, and thereafter, on November 30 of each subsequent year during the implementation of the Project, or such later date as the Association may agree in writing, prepare and furnish to the Association for its approval, the consolidated Annual Work Plan and Budget containing all proposed activities for inclusion in the Project during the following

calendar year, together with the financing plan for such activities and a timetable for their implementation, including: (a) detailed timetables for the sequencing and implementation of proposed Project activities; (b) types of expenditures required for such activities and a proposed financing plan and sources of funding for such expenditures; and (c) any Operating Costs or Training that may be required under the Project.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed Annual Work Plan and Budget and thereafter ensure that the Relevant Parts of the Project are implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Recipient and the Association (“Annual Work Plan and Budget” or “AWPB”).
3. The Recipient shall ensure that the Project is implemented in accordance with the AWPB as it may be subsequently revised or updated with the prior written agreement of the Association; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Matching Grants

1. ***Selection of Sub-Projects for Matching Grants***

- (a) The Recipient shall, through the PMU, finance Sub-Projects through the provision of Matching Grants to Matching Grant Beneficiaries under Part 1.1(c) of the Project, in accordance with the criteria and terms set forth in the PIM.
- (b) In order for the Sub-Projects to be eligible for financing under Part 1.1(c) of the Project, the Recipient shall:
 - (i) through the PMU, screen and select Sub-Projects eligible for small Matching Grants in accordance with the selection and eligibility criteria set forth in the Project Implementation Manual and the Matching Grant Manual; and
 - (ii) engage with the Service Provider and shall cause the Service Provider to screen and select Sub-Projects eligible for medium and large Matching Grants in accordance with the selection and eligibility criteria set forth in the Project Implementation Manual and the Matching Grant Manual.
- (c) The Recipient shall, through the PMU, and shall cause the Service Provider, as applicable, to:

- (i) ensure that each Matching Grant Beneficiary satisfies the eligibility criteria and other terms and conditions set out in the PIM and the Matching Grant Manual; and
 - (ii) ensure that each Sub-Project is carried out in a manner compliant with the ESCP.
- (d) The Recipient shall monitor and evaluate, under terms of reference satisfactory to the Association, the implementation of the Matching Grants, so as to ensure that Matching Grants are made exclusively to Matching Grant Beneficiaries for productive purposes consistent with the objectives of the Project.

2. ***Matching Grant Agreement***

- (a) Prior to the disbursement of each Matching Grant under Part 1.1(c) of the Project, the Recipient shall, and shall cause the Service Provider, as applicable, to enter into a tripartite agreement with each respective Partner Financial Institution (PFI) and each Matching Grant Beneficiary, with terms of reference, qualifications and experience satisfactory to the Association, for the PFI to be responsible for disbursing the Matching Grants to Matching Grant Beneficiaries under Part 1.1(c) of the Project, and for the Matching Grant Beneficiary to carry out Sub-Projects, on terms and conditions satisfactory to the Recipient and the Association (“Matching Grant Agreement”), which shall include, *inter alia*, the following:
- (i) the PFI shall carry out its obligations under the Matching Grant Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, administrative, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the ESCP, the Procurement Regulations and Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;
 - (ii) the PFI shall provide the appropriate resources to all beneficiaries of Matching Grants under terms and conditions acceptable to the Association and set forth in the Matching Grant Manual;
 - (iii) the PFI shall have the right to manage the funds allocated for each Matching Grant Beneficiary exclusively for the purpose of providing Matching Grants to such Matching Grant Beneficiaries in accordance with Part 1.1(c) of the Project and shall refund to the Recipient for further refund to the Association any amount of

the Financing used for any other purpose or in violation of the provisions of, or referred to, in this Agreement;

- (iv) the PFI shall: (A) 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 its activities under the Matching Grant Agreement; and (B) at the Association's or the Recipient's request, 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;
- (v) the PFI shall: (A) enable the Recipient and the Association to inspect its operations and any relevant records and documents; (B) keep records of the funds provided, and progress reports including specifically achievement of set targets and milestones; and (C) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request regarding the foregoing;
- (vi) the Recipient and/or the PFI shall have the right to suspend or terminate the right of the Matching Grant Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Matching Grant Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and
- (vii) each Matching Grant Beneficiary shall: (A) carry out its Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods and services to be financed out of the respective Matching Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-Project and the achievement of its objectives; (E) (1) 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 Sub-Project; and (2) at the Association's or the Recipient's request, 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; (F) enable the Recipient and the Association to inspect the Sub-Project, its operation and any relevant records and documents; and (G) 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.

- (b) The Recipient shall exercise its rights and carry out its obligations under the Matching 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, terminate, abrogate, waive, or fail to enforce the Matching Grant Agreement or any of its provisions.
- (c) In the event of any inconsistency between the provisions of the Matching Grant Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

F. PPP Financing Agreement

1. To facilitate the carrying out of part 1.1 (b) (ii) of the Project, the Recipient shall provide financing ("PPP Financing") to SOTRACO pursuant to a financing agreement ("PPP Financing Agreement") under terms and conditions approved by the Association and set forth in the PPP Manual, including: (a) the terms and conditions for the provision of the PPP Financing, including the disbursement period, documents required with a request of disbursement, including the disbursement method; and (b) the terms and conditions for the reimbursement of the PPP Financing, including the reimbursement period and the amount to be reimbursed by SOTRACO;
2. the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the SOTRACO to use the PPP Financing, or obtain a refund of all or any part of the amount of the PPP Financing then withdrawn, upon the SOTRACO failure to perform any of its obligations under the PPP Financing Agreement; and (ii) require SOTRACO to: (A) carry out the PPP Subproject with due diligence and efficiency and in accordance with sound 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 financing proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, and services to be financed out of the PPP Financing in accordance with the provisions of this Agreement; (D) (1) 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 PPP Financing; and (2) at the Association's or the Recipient's request, 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) enable the Recipient and the Association to inspect any relevant records and documents; and (F) 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.

3. The Recipient shall exercise its rights and carry out its obligations under each PPP Financing Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any PPP Financing Agreement or any of its provisions.

G. Environmental and Social Standards.

1. The Recipient shall, and shall cause the Service Provider to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Service Provider to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Partner Entity and the Service Provider to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

- (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall, and shall cause the Service Provider to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall, and shall cause the Service Provider to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall, and shall cause the Service Provider to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted, no later than six (6) months after the Effective Date, in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in

accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and

(b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.

4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

I. Counterpart Contribution

Without limitation to Section 5.03 of the General Conditions, the Recipient shall provide promptly as needed, the funds, facilities, services and other resources: (a) required for the Project; and (b) necessary or appropriate to enable the Recipient to perform its obligations.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in EUR)	Percentage of Expenditures to be Financed [(inclusive of Taxes)]
(1) Goods, works, non-consulting services, and consulting services for the Project	171,600,000	100%
(2) Sub-Projects financed out of the proceeds of Matching Grants under Part 1.1(c)(ii) of the Project	635,000	100% of amounts paid under Matching Grants for expenditures required for the relevant Sub-Project
(3) PPP Financing under Part 1.1(b)(vi) of the Project	4,079,000	100%
(4) Resettlement Compensation under Part 4 of the Project	3,173,000	100%
(5) Emergency Expenditures under Part 5 of the Project	0	100%
(6) Refund of Preparation Advance	1,813,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
TOTAL AMOUNT	181,300,000	

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 Signature Date;
 - (b) for payments under Category (2), unless and until the Recipient has adopted a Matching Grant Manual in form and substance satisfactory to the Association;
 - (c) for payments under Category (3), unless and until the Recipient has adopted a PPP Manual in form and substance satisfactory to the Association; or
 - (d) for payments under Category (4), unless and until the Recipient has prepared, disclosed, consulted upon, and adopted the respective Resettlement Action Plans (RAPs) in accordance with Section I.G of Schedule 2 to this Agreement; Disbursement of funds under Category (4) shall be made gradually for the amount specified in each adopted Resettlement Action Plan (RAP). Subsequent disbursements shall occur for each additional RAP adoption, for Emergency Expenditures under Category (5), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (5); and
 - (ii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (iii) the Recipient has adopted the CERC Operations Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is September 29, 2028.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15,2033 to and including May 15, 2073	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03 (b) (originally numbered Section 3.05 (b)) of the General Conditions.

APPENDIX

Definitions

1. “AMGT” means “*Agence Municipale des Grands Travaux de la Commune de Bobo-Dioulasso*”, the Recipient’s municipal agency for major works, to be established under the municipality of Bobo-Dioulasso.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.H of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Implementation Manual.
5. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
6. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
7. “Emergency Action Plan” means the plan referred to in Section I.H.1(b) of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
8. “Emergency Expenditures” means the eligible expenditures set forth in the CERC Manual referred to in Section I.H.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
9. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated August 21, 2023 as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and

measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

10. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, January 1, 2022, and July 15, 2023).
12. “GM” means grievance mechanism.
13. “Matching Grant” means a grant provided or proposed to be made by the Recipient to a Matching Grant Beneficiary for the purpose of implementing a Sub-project under Part 1.1(c)(ii) of the Project and as further described in the Matching Grant Manual.
14. “Matching Grant Agreement” means the tripartite agreement to be entered into between the Recipient or the Service Provider, as applicable, the Partner Financial Institution (PFI) and each Matching Grant Beneficiary, in accordance with the provisions of Section I.E.2 of Schedule 2 to this Agreement, and on terms and conditions satisfactory to the Recipient and the Association.
15. “Matching Grant Beneficiary” means a natural person or legal entity selected to receive a Matching Grant under Part 1.1(c) of the Project; for the purpose of carrying out a Sub-project; as they meet the guidelines, selection and eligibility criteria set out in the Matching Grant Manual and have entered into a Matching Grant Agreement; and “Matching Grant Beneficiaries” means the plural thereof.

16. “Matching Grant Manual” means the manual setting forth the eligibility criteria, selection process of Matching Grant Beneficiaries and activities to be financed under Part 1.1(c) of the Project, prepared and adopted in accordance with the provisions of paragraph 2 of Section I.C of Schedule 2 to this Agreement, as amended from time to time with the prior approval of the Association.
17. “Ministry of Urban Planning, Land Affairs and Housing” means the Recipient’s ministry of urban planning, land affairs and housing, its legal successor acceptable to the Association.
18. “Ministry of Solidarity, Humanitarian Action, National Reconciliation, Gender and the Family” means the Recipient’s ministry of solidarity, humanitarian action, national reconciliation, gender and the family, its legal successor acceptable to the Association.
19. “Ministry of National Education, Literacy and the Promotion of National Languages” means the Recipient’s ministry of national education, literacy and the promotion of national languages, or its legal successor acceptable to the Association.
20. “Ministry of Infrastructures” means, the Recipient’s ministry of infrastructures, or its legal successor acceptable to the Association.
21. “MTMUSR” means “*Ministère des Transports de la Mobilité Urbaine et de la Sécurité Routière*”, the Recipient’s Ministry of Transport, Urban Mobility and Road Safety, or its legal successor acceptable to the Association.
22. “Municipalities” means the 3 municipalities of Bobo Dioulasso, Kaya, and Ouahigouya, respectively.
23. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications (including phone and internet costs), vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, media expenses related to publication of procurement and other project notices, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, *honoraria*, and bonuses of members of the Recipient’s civil service.
24. “PPP” means public-private partnerships.
25. “PPP Financing” means” means a financing to be made out of the proceeds of the Financing to be made under Part 1.1 (b) (iii) of the Project, in accordance with the PIM and the PPP Manual, satisfactory to the Association.

26. “PPP Manual” means the manual setting forth the eligibility criteria, selection process of private entities that are recipients to the PPP Financing, as well as the activities to be financed under Part 1.1(b) of the Project, prepared and adopted in accordance with the provisions of paragraph 3 of Section I.C of Schedule 2 to this Agreement, as amended from time to time with the prior approval of the Association.
27. “PPP Subproject” means any of the investments under Part 1.1 (b) of the Project.
28. “Partner Financial Institution” or “PFI” means commercial banks, microfinance institution networks, national development funds including the Burkinabe Fund for Economic and Social Development (“FBES”) and the Small and Medium Scale Financing and Promotion Agency (“AFP/PME”) and non-banking financing institutions, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Procurement Regulations, for the payment of Matching Grant to Matching Grant Beneficiaries.
29. “Preparation Advance” means the portion of the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement for the Project Preparation Advance No. V4640 signed on February 23, 2023.
30. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
31. “Project Management Unit” or “PMU” means the coordination unit of the MTMUSR to be established, in accordance with the provisions of paragraph 2 of Section I.A of Schedule 2 to this Agreement.
32. “Project Implementation Manual” or “PIM” means the manual prepared and adopted for the overall implementation of the Project, in accordance with the provisions of paragraph 1 of Section I.C of Schedule 2 to this Agreement, as amended from time to time with the prior approval of the Association.
33. “SOTRACO” means “*Société de Transport en Commun*”, the Recipient’s common transport company established and registered in Ouagadougou and operating pursuant to the Statutes no. 1252/2016 and its attached annexes (“*Statuts*”) of January 26, 2004 as amended on December 16, 2013; as said statutes may be amended from time to time.

34. “Secondary Cities” means the following cities of the Recipient’s territory: Bobo Dioulasso, Kaya, and Ouahigouya, or any other city as agreed in writing with the Association.
35. “Service Provider Agreement” means the agreement concluded between the Recipient and a Service Provider governing the terms and conditions under which the Service Provider shall render services to the Recipient, including payment methods and reporting and transparency arrangements, for the carrying out of Part 1.1(c) of the Project.
36. “Service Provider” means a company, an individual or a local or international non-governmental organization, acceptable to the Association, recruited by the Recipient under a Service Provider Agreement for the carrying out of Part 1.1(c) of the Project, and “Service Providers” means more than one Service Provider.
37. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
38. “SMP” means security management plan.
39. “Steering Committee” means the committee to be established in accordance with paragraphs 5 and 6 of Section I.A of Schedule 2 to this Agreement.
40. “Sub-project” means the specific activities to be carried out by a Matching Grant Beneficiary under Part 1.1(c) of the Project, in accordance with the eligibility requirements and procedures set out in the PIM and proposed to be financed out of the proceeds of the Matching Grant through a Matching Grant Agreement as described in Section I.E of Schedule 2 to this Agreement; and “Sub-projects” means the plural thereof.
41. “Technical Committee” means the technical committee to be established in accordance with paragraphs 3 and 4 of Section I.A of Schedule 2 to this Agreement.
42. “Training” means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets, including costs associated with seminars, workshops, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation, all based on periodic budgets acceptable to the Association (but excluding costs of consulting services).

43. “Transport Asset Management System” or “TAMS” means a strategic and systematic process of operating, maintaining, upgrading, and expanding physical assets effectively throughout their lifecycle.