

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4368-BUR

Financing Agreement

(West Africa Regional Biosafety Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 4, 2008

Public Disclosure Authorized



CREDIT NUMBER 4368 -BUR

FINANCING AGREEMENT

AGREEMENT dated February 4, 2008, entered into between BURKINA FASO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

WHEREAS

(A) Pursuant to *Règlement* no. 03/2007/CM/UEMOA, dated April 6, 2007, the *Union Economique et Monétaire Ouest Africaine* (West African Economic and Monetary Union - WAEMU) has adopted the Regional Program for Biosafety of the Union Economique et Monétaire Ouest Africaine (the Program) to establish an operational institutional, legal and regulatory biosafety framework for the compliance by its Member States with the provisions of the Cartagena Protocol.

(B) The Program is expected to be financed through the WAEMU’s own resources as well as funds from other, as follows:

(i) The WAEMU intends to allocate, an amount approximately equivalent to 5,200,000 Dollars to the financing of the Program, for activities not financed by the proceeds of the Grant referred to in paragraph (v) below, through its Regional Economic Program, funded from the proceeds of the French budget support to the WAEMU, managed by *Agence Française de Développement*.

(ii) The WAEMU intends to request from the European Commission (EC) an amount of 6,000,000 Euros for the financing of the Program, including the mitigation of related socio-economic risks and the creation of a network of national biosafety laboratories.

(iii) Since 2006, the Member States have received support from the United Nations Environment Program for an aggregate amount approximately equivalent to 400,000 Dollars for the financing of activities included in the Program.

(iv) The Recipient has received from the International Development Association (IDA) financing, in the form of a credit, for the Agricultural Diversification and Market Development Project (Cr. 4195-BUR), of

which an amount approximately equivalent to 1,200,000 Dollars has been allocated to the financing of the Program.

(v) The WAEMU has received from the Global Environment Facility a Grant in an amount of 5,400,000 Dollars for the financing of selected activities of the Program, as further described in the Global Environment Facility Grant Agreement between the WAEMU and the International Bank for Reconstruction and Development, acting as an Implementing Agency of the Global Environment Facility.

(vi) The Association agrees to finance part of the Program, in accordance with the terms and conditions of this Agreement and in full reliance on the availability of the funds described in subsection (i) to (v) above.

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to two million six hundred thousand Special Drawing Rights (SDR 2,600,000) (referred to variously as “Credit” and “Financing”) to assist in financing Part A (ii) of the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is the Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out Part A (ii) of the Project in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that Part A (ii) of the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) As a result of events which have occurred after the date of the Financing Agreement, an extraordinary situation has arisen which makes it improbable that the Program, or a substantial part thereof, can be carried out.
 - (b) The Recipient has not established to the satisfaction of the Association that adequate resources for financing of the Program are available from other sources on terms and conditions consistent with the Recipient's obligations under the Agreement, when (i) resources necessary for the financing of the Program from other sources than the Association are not provided, or (ii) the right to withdraw funds under resources necessary for the financing of the Program from other sources than the Association has been suspended or cancelled or terminated in whole or in part.
- 4.02. Any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurring and continuing for a period of 30 days after notice of the event has been given by the Association to the Recipient constitute an Additional Event of Acceleration.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has recruited an accountant for the Project, to be part of the Project Coordination Unit of the Agricultural Diversification and Market Development Project financed with the proceeds of IDA Credit 4195-BUR, with terms of reference, qualification and experience satisfactory to the Association.
 - (b) The Recipient has adapted the Project Administrative, Accounting and Financial Manual of the Agricultural Diversification and Market Development Project, financed with the proceeds of IDA Credit 4195-BUR, as needed for the Project, in a manner satisfactory to the Association.
 - (c) The Recipient has adopted a Project Implementation Manual in form and substance satisfactory to the Association.
 - (d) The Recipient has designated a National Correspondent for the implementation of the Project, with terms of reference, composition, qualification and experience satisfactory to the Association.
 - (e) The Recipient has established a National Biosafety Committee for the implementation of the Project, with terms of reference, resources and expertise satisfactory to the Association.
 - (f) The Recipient has adopted an additional *Arrêté* to the *Arrêté* establishing the Project Coordination Unit of the Agricultural Diversification and Market Development Project, financed with the proceeds of IDA Credit 4195-BUR, in order to reflect fiduciary obligations under the Project.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient's Address is:

Minister of Finance and Budget
Ministry of Finance and Budget
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/ Jean-Baptiste Marie Pascal Compaoré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Célestin Bado

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the West African Economic and Monetary Union for the establishment of an operational institutional, legal and regulatory regional biosafety framework for the regulation of living modified organisms.

The Project, which is part of the Program, consists of the following Parts:

Part A – Adapting and disseminating regional methodologies to assess and manage risks related to living modified organisms

Adapting and disseminating regional methodologies to assess and manage risks through support in: (i) assessing and evaluating existing tools and guidelines used or in preparation in Member States for risk assessment and management, and comparing them to recognized international methodologies; (ii) establishing a national reference laboratory with a regional dimension for biosafety in Burkina Faso, and strengthening its capacities for its eventual accreditation; and (iii) consolidating the existing tools and developing regional common approaches that meet recognized international standards in risk assessment and management, inspection, and monitoring and evaluation of living modified organisms.

Part B – Establishing an institutional, legal and regulatory regional biosafety framework

Establishing an institutional, legal and regulatory regional biosafety framework, through support in: (i) preparing a regional law and regulation on biosafety; (ii) creating an institutional framework to accompany the dissemination and implementation of the legal and regulatory regional biosafety framework in the Member States; and (iii) strengthening regional institution capacity building for the implementation of the Project.

Part C – Implementing the Institutional, Legal and Regulatory Biosafety Framework in Member States which have ratified the Cartagena Protocol, with an initial focus on selected commodities

Implementing the national and, when in place, regional institutional, legal and regulatory biosafety framework in Member States which have ratified the Cartagena Protocol, in both cases through support to inform, sensitize, and strengthen the capacities of the stakeholders.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Recipient shall maintain, throughout the implementation of the Project, the National Biosafety Agency, which shall be responsible for the technical implementation of Part A (ii) of the Project, and act as Project National Correspondent.
2. The Recipient shall maintain, throughout the implementation of the Project, the Project Coordination Unit established by the Recipient for the implementation of the Agricultural Diversification and Market Development Project, financed from the funds of the Association's credit Cr. 4195-BUR, which shall also be responsible for the fiduciary aspects of the implementation of Part A (ii) of the Project, in liaison with the Recipient's National Biosafety Agency.
3. The Recipient shall maintain, throughout the implementation of the Project, the National Biosafety Committee, with terms of reference, composition and resources at all times satisfactory to the Association, responsible, *inter alia*, of the monitoring of the activities under Part A (ii) of the Project at the national level.

B. Staffing and Project Manuals

- (a) The Recipient shall maintain, throughout the implementation of Part A (ii) of the Project, enough resources and qualified staff for the implementation of Part A (ii) of the Project.
- (b) The Recipient shall carry out Part A (ii) of the Project in accordance with the provisions of the Project Administrative, Accounting and Financial Manual, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of the Project.
- (b) The Recipient shall carry out Part A (ii) of the Project in accordance with the provisions of the Project Implementation Manual, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which

in the opinion of the Association may adversely and materially affect the implementation of the Project.

C. Environmental and Social Assessment and Mitigation Measures

(a) The Recipient shall implement Part A (ii) of the Project in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Framework.

(b) Except as the Association shall agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the Environment and Social Management Framework, when in the opinion of the Association, it may adversely and materially affect the implementation of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of Part A (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 indicator set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
- (b) The performance indicator referred to above in sub-paragraph (a) consist of the following:
 - Percentage of applications received by the national competent authorities for field trials and commercial releases that concern crops of high priority for the West African Economic and Monetary Union's territory, as defined in accordance with the WAEMU's agricultural policy, which have been processed (approved or declined) and reviewed on the basis of the science-based risk assessment and management procedures established by the reference laboratory with a regional dimension established under Part A (ii) of the Project.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than one month after the end of each calendar quarter, interim unaudited financial reports for Part A (ii) of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
4. The annual Audit of the Financial Statements shall be included in the terms of reference of the independent auditor appointed by the WAEMU for the Project. The auditor shall prepare two separate reports, one for activities under Part A (ii) of the Project, the other one for all the other activities of the Project.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for Part A (ii) of 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 Part A (ii) of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(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 Method
(a) Least-Cost Selection
(b) Selection based on Consultants' Qualifications
(c) Single-source Selection
(d) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

- (a) each contract for works estimated to cost the equivalent of US\$250,000 or more, each contract for goods and non consulting services estimated to cost the equivalent of US\$200,000 or more, each contract for goods and non consulting services procured on the basis of Direct Contracting; and
- (b) each contract for consultant services provided by a firm estimated to cost the equivalent of US\$100,000 or more, each contract for consultant services provided by an individual estimated to cost the equivalent of US\$50,000 or more, and each contract for consultant services procured on the basis of Single Source Selection.

All other contracts shall be subject to Post Review by the Association.

All terms of reference for the selection of consultants shall be submitted to the Association for prior review.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient

(including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works	390.000	100%
(2) Goods	1.100.000	100%
(3) Consultants’ Services and Audits	420.000	100%
(4) Training	440.000	100%
(5) Operating Costs	70.000	100%
(6) Unallocated	180.000	
MONTANT TOTAL	2.600.000	

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.
2. The Closing Date is June 30, 2012.

Section V. Other Undertakings

No later than eighteen (18) months after the Effective date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid term review of Part A (ii) of the Project, covering the progress achieved in the implementation of the Part A (ii) of the Project. The Recipient shall prepare under terms of reference satisfactory to the Association, and furnish to the Association about

three months prior to the beginning of such mid term review of Part A (ii) of the Project, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Part A (ii) of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of Part A (ii) of the Project and the achievement of the objectives of the Project during the period following such date. The technical and financial partners involved in the Program will be invited to participate in such mid term review. Said report shall be prepared with the support of the independent consultant appointed to that effect by the WAEMU.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2017 to and including June 15, 2027	1%
commencing December 15, 2027 to and including June 15, 2047	2%

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

APPENDIX

Definitions

1. “Cartagena Protocol” means the Cartagena Protocol on Biosafety to the Convention on Biological Diversity, adopted in Montreal, Canada, by the Conference of the Parties to the Convention on January 29, 2000.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “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.
4. “Environmental and Social Management Framework” means the document entitled “Environmental and Social Management Framework” prepared by Mrs. Song Li and Mrs. Suryna Ali, with the collaboration of Mr. Maman Farouk and Mrs. Zourate Lompo at the request of the West African Economic and Monetary Union and dated March 4, 2007.
5. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
6. “Operating Costs” means the incremental expenses incurred on account of Project implementation, management and monitoring of Part A (ii) of the Project, including for office space rental, operating costs and maintenance of offices, equipment and vehicles, utilities, communications, office supplies, bank charges, salaries of contractual and temporary staff, cost of travel and supervision, per diem, but excluding salaries of the Recipient’s civil servants.
7. “Member States” means collectively Benin, Burkina Faso, Côte d’Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo, and the members of the West African Economic and Monetary Union.
8. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, and revised in October 2006.
9. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 15, 2007 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.

10. “Project Administrative, Accounting and Financial Manual” means the Recipient’s guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Project, including in the areas of fiduciary organization, accounting, financial management and procurement, as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Project Administrative, Accounting and Financial Manual.

11. “Project Implementation Manual” means the Recipient’s guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Project Implementation Manual.