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CONFORMED COPY

GRANT NUMBER H521-BF

Financing Agreement

(Agricultural Productivity and Food Security Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 1, 2010

GRANT NUMBER H 521-BF

FINANCING AGREEMENT

AGREEMENT dated March 1, 2010, entered into between BURKINA FASO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows.

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to twenty five million six hundred thousand Special Drawing Rights (SDR 25,600,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are May 1st and November 1st in each year.
- 2.05. The Payment Currency is the Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall implement 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 the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following:
 - (a) The Recipient has established (i) the Steering Committee for the purpose of Section I Part A(2) of Schedule 2 to this Agreement, and (ii) the Technical Coordination Committee for the purpose of Section I Part A(3) of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Minister at the time responsible for finance.

5.02. The Recipient's Address is:

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

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

5.03. The Association's Address is:

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

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

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

BURKINA FASO

By /s/ Lucien Marie Noël Bembamba

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Galina Sotirova

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the capacity of poor producers to increase food production and to ensure improved availability of food products in rural markets.

The Project consists of the following parts:

Part 1: Improvement in food production

(a) Provision of Matching Grants for the financing of the acquisition or development of technological packages: (i) for the improvements of food crop production and sustainable soil management, livestock and livestock products, and the promotion of agriculture and livestock integration, and (ii) for the valorization of non-timber forestry products in areas adjacent to protected areas; and

(b) Development of community assets in support of food production and marketing as planned and organized by Village Development Councils, including, without limitation, the payment of labor for work on community assets through a voucher for work program.

Part 2: Improvement of the availability of food products

(a) Provision of Matching Grants for the dissemination of improved post harvest technologies, the development of food processing technologies and the strengthening of small scale improved cereal and milk processing units; and

(b) Development of market functions, including the development of village level warrantage in surplus areas, the restructuring of cereal banks into marketing cooperatives in deficit zones, the strengthening of market information systems and the creation of one-shop centers in Regional Chambers of Agriculture.

Part 3: Institutional Development and Capacity Building

(a) Building capacities of public and private sectors for the extension and provision of advisory services to producers and the provision of main core control public services involved in the implementation for the Project;

(b) Strengthening input supply delivery systems including through: (i) the dissemination and implementation of the Recipient's laws on inputs, such as seeds, fertilizers and veterinary medical products, (ii) the strengthening and expansion of improved seed production and distribution systems; and (iii) the strengthening and expansion of input supply networks;

(c) Strengthening capacity of professional organizations in the agricultural sector and Regional Chambers of Agriculture; and

(d) Management, monitoring and evaluation of Project activities.

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

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

(1) The Ministry of Agriculture shall be responsible for the overall supervision and oversight of the Project.

(2) Steering Committee

(a) The Recipient shall establish in accordance with Section 4.01(a) and thereafter maintain an inter-ministerial steering committee (the “Steering Committee”) headed by the Recipient’s Minister responsible for agriculture or its representative, with functions and membership satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall provide overall strategic guidance for the Project, supervise governance, approve annual work programs and budgets, review progress and ensure conflict resolution as needed.

(c) Without limitation to the provisions of paragraph (a) above, the Steering Committee shall include representatives of the Ministry of Agriculture, Ministry of Environment and Ministry of Livestock, representatives of the private sector and the civil society such as the Regional Chambers of Agriculture, the financial institutions, and the professional organizations in the agricultural sector.

(3) Technical Coordination Committee

(a) The Recipient shall establish in accordance with Section 4.01(a) and thereafter maintain a technical coordination committee (the “Technical Coordination Committee”), headed by the Project coordinator, with functions and membership satisfactory to the Association.

(b) Without limitation to the provisions of paragraph (a) above, the Technical Coordination Committee shall provide technical support for the preparation of proposed annual work programs and budgets, and the coordination of project activities implemented by the Ministry of Agriculture, the Ministry of Environment and the Ministry of Livestock.

(c) Without limitation to the provisions of paragraph (a) above, the Technical Coordination Committee shall be comprised, *inter alia*, of the Focal Points and a representative of the Interprofessional Committee of Cereals.

(4) Regional Coordination Committees

(a) To ensure that local private stakeholders and local authorities fully participate in Project implementation, the Recipient shall maintain in each of the Regions in which the Project will be implemented a regional coordination committee (the “Regional Coordination Committee”), headed by the Governor of the Region.

(b) Without limitation to the provisions of paragraph (a) above, the Regional Coordination Committee shall coordinate the implementation of the Project at the Regional level, and in particular, review Project implementation progress and corresponding issues, enhance coordination of donors’ interventions, and make proposals to the Steering Committee.

(5) Project Activities Implementation

The Ministry of Agriculture, the Ministry of Environment and the Ministry of Livestock shall each be responsible for the implementation of the Project activities in their respective areas of competence. The Recipient shall maintain a Project coordinator in the Ministry of Agriculture, and five Focal Points. The Project coordinator, with the support of the Focal Points for their respective sector, shall, *inter alia*, be responsible for the preparation of progress reports and proposed annual work programs and budgets (including both the activities financed by the Association and the activities financed by the Recipient) in form and substance satisfactory to the Association, financial management, procurement, disbursement, supervision, monitoring and evaluation.

B. Contractual and Other Arrangements

(a) To facilitate the implementation of the Project, the Recipient shall enter into, and thereafter maintain throughout the implementation of the Project, the following agreements:

(i) The Recipient shall enter into an agreement (the “Technical Operator Agreement”) in form and substance satisfactory to the Association with a technical operator (the “Technical Operator”) selected in accordance with Section III of Schedule 2 to this Agreement, pursuant to which the Technical Operator shall be responsible for, *inter alia*, (A) the distribution of both vouchers representing the value of the Matching Grant and vouchers in the voucher for work program to Beneficiaries in order to enable said Beneficiaries to pay the authorized input suppliers supplying the goods needed for the implementation of Sub-projects under Part 1(a)(i) and Part 2(a) of the Project, as well as (B) the selection and supervision of authorized input suppliers for the supply of goods to Beneficiaries under Part 1(a)(i) and Part 2(a) of the Project.

(ii) The Recipient shall enter into an agreement (the “Financial Institution Agreement”) in form and substance satisfactory to the Association with a financial institution (the “Financial Institution”) selected in accordance with Section III of Schedule 2 to this Agreement, pursuant to which the Financial Institution shall be responsible for, *inter alia*, the payment of authorized suppliers under Part 1(a)(i) and Part 2(a) of the Project in exchange for vouchers.

(iii) The Recipient shall enter into an agreement (the “RCA Agreement”) in form and substance satisfactory to the Association with the Regional Chambers of Agriculture, pursuant to which the Regional Chambers of Agriculture shall be responsible for, *inter alia*, (A) the provision of advisory services and training to producers, monitoring and evaluation services under Part 3(c) of the Project, and (B) the selection of Sub-Projects under Part 2 (a) of the Project.

(iv) The Recipient shall enter into an agreement (the “WFP Agreement”) in form and substance satisfactory to the Association with the World Food Program, pursuant to which the World Food Program shall be responsible for, *inter alia*, (A) issuing the vouchers for the voucher for work program under Part 1(b) of the Project, and the vouchers representing the Matching Grants, and (B) supporting the Recipient for the supervision of the implementation of the vouchers for work program under Part 3(d) of the Project.

(v) The Recipient shall enter into an agreement (the “OFINAP Agreement”) in form and substance satisfactory to the Association with the National Office of Protected Areas, pursuant to which the National Office of Protected Areas shall be responsible for, *inter alia*, (A) the selection of Sub-Projects under Part 1(a)(ii) of the Project, and (B) the provision of advisory services and training of Beneficiaries of Matching Grants under Part 3(a) of the Project.

(b) The Technical Operator Agreement, the Financial Institution Agreement, the RCA Agreement, the WFP Agreement and the OFINAP Agreement (each referred to as an “Implementation Agreement” and collectively as the “Implementation Agreements”) shall each include the following provisions:

(i) the obligation of the Technical Operator, the Financial Institution, the Regional Chambers of Agriculture, the World Food Program and the National Office of Protected Areas, respectively, to:

(A) carry out its activities under the Implementation Agreement to which it is a party 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient and in accordance with the relevant provisions of the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures;

(B) maintain policies and procedures, which are adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities carried out under the Implementation Agreement to which it is a party; and

(C) 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 activities carried out under the Implementation Agreement to which it is a party; and

(ii) the right of the Recipient and the Association to:

(A) request an audit of the financial statements of the activities carried out under the Implementation Agreement to which it is a party by independent auditors acceptable to the Association in accordance with consistently applied auditing standards acceptable to the Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;

(B) inspect the activities carried out under the Implementation Agreement to which it is a party, and any relevant records and documents; and

(C) obtain all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.

(c) The Recipient shall exercise its rights under each Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Implementation Agreement or any of its provisions.

(d) the Villages Development Committees shall select households eligible to the vouchers for work program and shall plan and organize civil works under Part 1(b) of the Project

C. Sub-projects

1. Under Part 1(a) and Part 2(a) of the Project, the Recipient shall make Matching Grants to Beneficiaries for the purpose of financing Sub-projects in accordance with eligibility criteria, amounts of Matching Grant and Beneficiary's contribution, and procedures acceptable to the Association and further described in the Project Implementation Manual.
2. The Recipient shall make each Matching Grant under a Matching Grant Agreement with the respective Beneficiary in the form of the model agreement attached to the Project Implementation Manual and terms and conditions described in more details in the Project Implementation Manual, which shall include, *inter alia*, the following:

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 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 Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement;

(ii) require each Beneficiary to cause:

(A) its Sub-project to be carried out 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Plan prepared for its Sub-project, the Resettlement Action Plan prepared for its Sub-project, and the Pest Management Plan, if applicable to this type of Sub-projects;

(B) the resources required for the purpose of its Sub-project to be provided, promptly as needed;

(C) the goods, works and services to be financed out of the Matching Grant to be procured in accordance with the provisions of this Agreement;

(D) policies and procedures to be maintained, which are 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) a financial management system to be maintained and financial statements to be prepared 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, such financial statements to be audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and the financial statements as so audited to be promptly furnished to the Recipient and the Association;

(F) the Recipient and the Association to be able to inspect the Sub-project, its operation and any relevant records and documents; and

(G) all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.

3. The Recipient shall ensure that: (A) the contribution of the Matching Grant to the cost of each proposed Sub-project shall not exceed the maximum amount indicated in the Project Implementation Manual for the relevant type of Sub-projects, except as previously agreed in writing by the Association; (B) the Beneficiary shall contribute the minimum amount indicated in the Project Implementation Manual as contribution, in cash or in the form of vouchers received in the voucher for work program, for the relevant type of Sub-projects, if any; and (C) the financing of the proposed Sub-project shall be fully covered by the sum of the Matching Grant and the Beneficiary's contribution.
4. The Recipient shall exercise its rights under each 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, abrogate or waive any Matching Grant Agreement or any of its provisions.

D. Anti-Corruption

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

E. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project, including without limitation to the generality of the foregoing, and each of the Sub-projects, shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan. In particular, the Recipient shall ensure that:

(a) for each Sub-project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of the Sub-project, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant Sub-project is implemented in accordance with its Environmental and Social Management Plan; and

(b) for each Sub-project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the

Association, is effectively prepared and locally disclosed, before the implementation of the Sub-project, in accordance with the provisions of the Resettlement Policy Framework, and the relevant Sub-project is implemented in accordance with its Resettlement Action Plan.

2. Except as the Association shall otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of:
 - (a) measures taken in furtherance of the Safeguard Documents;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
 - (c) remedial measures taken or required to be taken to address such conditions.

F. Project Manuals and staff

- (a) The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be carried out in accordance with the provisions of the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures.
- (b) Unless the Recipient and the Association shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the Project Implementation Manual or the Project Manual of Financial, Accounting and Administrative Procedures in a manner which, in the opinion of the Association, may adversely and materially affect the implementation of the Project or the achievement of its objective.
- (c) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual or the Project Manual of Financial, Accounting and Administrative Procedures, and this Agreement the provisions of this Agreement shall prevail.

- (d) The Recipient shall maintain, throughout the implementation of the Project, sufficient resources and staff, in adequate number and with experience and qualification satisfactory to the Association, for the performance of its obligations under this Agreement and the achievement of the objectives of the Project.
- (e) Without limitation to its obligations set forth in paragraph (d) above, no later than one (1) month after the Effective Date, (i) the Recipient shall have recruited for the Project and posted in the Ministry of Agriculture, each in accordance with the provisions of Section III of Schedule 2 to this Agreement, and shall thereafter maintain throughout the implementation of the Project: (A) a financial management specialist, (B) a procurement specialist, and (C) a monitoring and evaluation specialist, and (ii) the Recipient shall have caused the Regional Chambers of Agriculture to have recruited for the Project, each in accordance with the provisions of Section III of Schedule 2 to this Agreement, and to thereafter maintain throughout the implementation of the Project: (A) a procurement specialist, (B) four internal auditors, and (C) an accountant.

G. Counterpart funds

1. In accordance with Section 4.03 of the General Conditions and without limitation to the Recipient's obligations under said Section 4.03 of the General Conditions, the Recipient shall contribute an amount of not less than the equivalent of four million seven hundred thousand Dollars (\$4,700,000) for the financing of activities relevant to the Project but not eligible to be financed from the proceeds of the Financing, including the acquisition and maintenance of, and gaz for, three hundred (300) motorcycles for the Project, the deployment of service providers for the extension of services to producers, the refurbishment of the Regional Chambers of Agriculture, and indemnities paid to the Recipient's civil servants in addition to their salaries for their involvement in the implementation of the Project, all as counterpart funds ("Counterpart Funds").
2. No later than April 30, 2010, the Recipient shall: (i) open, and thereafter maintain throughout the implementation of the Project, an account in a commercial bank acceptable to the Association, under terms and conditions acceptable to the Association, including appropriate protection against set off, seizure and attachment, for the payment of Counterpart Funds (the "Project Account"); and (ii) deposit in the Project Account an amount of or equivalent to five hundred million (500,000,000) CFA Francs ("Initial Deposit"), or such other amount as agreed with the Association, required to finance the activities listed in Paragraph (1) above.

3. No later than January 1 and July 1, or such other dates as may be agreed by the Association, each year throughout the implementation of the Project starting on January 1, 2011, the Recipient shall deposit in the Project Account as Counterpart Funds an amount equivalent to not less than \$450,000, or such other amount as agreed by the Association.
4. The Recipient shall ensure that the funds deposited into the Project Account in accordance with Paragraphs (2) and (3) above are used exclusively to finance activities listed in Paragraph (1) above.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators 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 forty five (45) days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) At the end of the Project, the cereal production in Project targeted areas has increased by 35%.
 - (ii) At the end of the Project, the quantity of products stored in the warrantage scheme in Project targeted areas has increased to 25,000 tons.
 - (iii) At the end of the Project, the milk production in Project targeted areas has increased to 2,500,000 liters.
 - (iv) At the end of the Project, the percentage of national Cereal Consumption Poverty among rural households has decreased from 31% to 25%.
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 December 31, 2016.

3. Thirty six (36) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, or on such later date agreed upon with the Association in writing, 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 Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.

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 forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
4. No later than four (4) months after the Effective Date, the Recipient shall have recruited an external independent auditor selected in accordance with the provisions of Section III of this Schedule, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 3 above.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and 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
(d) Community Participation in Procurement
(e) Procurement from United Nations Agency (IAPSO)

(*) The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient's Procurement Code adopted by Decree

No. 2008-173/PRES/PM/MEF dated April 16, 2008, as revised from time to time in a manner acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines.

- (i) The invitation to bid shall be advertized in national newspapers with wide circulation;
- (ii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;
- (iii) The bidders shall be given adequate response time (at least four weeks) to prepare and submit their bids;
- (iv) The contracts shall be awarded for the lowest evaluated qualified bidder having the necessary qualifications;
- (v) The eligible bidders, including foreign bidders, shall not be precluded from participating; and
- (vi) No preference margin shall be granted to local suppliers.

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 Under a Fixed Budget
(c) Selection Based on the Consultant's Qualifications
(d) Selection of Individual Consultants
(e) Single Source Selection

- 3. Training.** Training shall be carried out on the basis of annual programs and budgets, which shall have been approved by the Association, and which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("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) Goods, works and consultants' services for Parts 1(b), 2(b) and 3 of the Project, including Training and audits	9,600,000	100%
(2) Matching Grants under Part 1(a) (i) of the Project	8,300,000	100% of amounts disbursed
(3) Matching Grants under Part 1(a) (ii) of the Project	3,850,000	100% of amounts disbursed
(4) Matching Grants under Part 2(a) of the Project	1,500,000	100% of amounts disbursed
(5) Operating Costs	850,000	100%
(6) Refund of Preparation Advance	550,000	Amount payable pursuant to Section 2.07 of the General Conditions
(7) Unallocated	950,000	
TOTAL AMOUNT	25,600,000	

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 date of this Agreement;
 - (b) under Category 2 until each of the Technical Operator Agreement, the Financial Institution Agreement, and the WFP Agreement has been signed by its respective parties; or
 - (c) under Category 4 until each of the Technical Operator Agreement, the Financial Institution Agreement, and the RCA Agreement has been signed by its respective parties.

2. The Closing Date is June 30, 2016.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary” means, (i) with respect to Part 1(a)(i) of the Project, a household living in Cereal Consumption Poverty eligible to receive a Matching Grant under Part 1(a)(i) of the Project, (ii) with respect to Part 1(a)(ii) of the Project, a Natural Resources and Forest Management Association, an association legally organized in accordance with the Recipient’s Law No. 10/92/ADP of December 15, 1992 or a cooperative legally organized in accordance with the Recipient’s Law No. 14/99/AN of April 15, 1999, in each case provided that it is eligible to receive a Matching Grant under Part 1(a)(ii) of the Project, and (iii) with respect to Part 2(a) of the Project, a producer group organized as an association under the Recipient’s Law No. 10/92/ADP of December 15, 1992, eligible to receive a Matching Grant under Part 2(a) of the Project, in each case, to whom the Recipient has provided, or proposes to provide, a Matching Grant in accordance with the guidelines and procedures described in the Project Implementation Manual, pursuant to a Matching Grant Agreement.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Cereal Consumption Poverty” means, when referring to households, households with annual cereal consumption less than 190 kilogram per capita.
5. “CFA Francs” means the currency having legal tender in the African Financial Community.
6. “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.

7. “Displaced Persons” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
8. “Environmental and Social Management Framework” means the Recipient’s document entitled “*Etude d’Impact Environnemental et Social du Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire au Burkina*”, dated January 2009, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.
9. “Environmental and Social Management Plan” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to a Sub-project, that details: (i) the measures to be taken during the implementation and operation of the Sub-project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.
10. “Focal Points” means collectively: (i) the focal point for the Project designated by the Ministry of Agriculture, (ii) the focal point for the Project designated by the Ministry of Environment, (iii) the focal point for the Project designated by the Ministry of Livestock, as well as (iv) the General Secretary of the National Bureau of the Regional Chambers of Agriculture, and (v) the General Manager of the National Office of Protected Areas.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
12. “Interprofessional Committee of Cereals” means the Recipient’s committee entitled “*Comité Interprofessionnel des Céréales au Burkina Faso*” created by the Recipient’s decision No. 2003/448/MATD/SG/DG/PAP/DOASDC dated September 5, 2003.

13. “Matching Grant” means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for the purpose of co-financing a Sub-project implemented or to be implemented by a Beneficiary.
14. “Matching Grant Agreement” means an agreement entered into between the Recipient and a Beneficiary for the provision of a Matching Grant.
15. “Ministry of Agriculture” means the Recipient’s ministry at the time responsible for agriculture (*Ministère de l’agriculture, de l’hydraulique et des ressources halieutiques*).
16. “Ministry of Environment” means the Recipient’s ministry at the time responsible for environment (*Ministère de l’environnement et du cadre de vie*).
17. “Ministry of Livestock” means the Recipient’s ministry at the time responsible for livestock (*Ministère des ressources animales*).
18. “National Bureau of the Regional Chambers of Agriculture” means the National Bureau of the Regional Chambers of Agriculture created by the Recipient’s Decree No. 2001-770 bis dated December 31, 2001.
19. “National Emergency Cereal Stock Management Agency” means the Recipient’s agency called “*Société Nationale de Gestion des Stocks de Sécurité (SONAGESS)*” created by the Recipient’s Decree No. 94-233/PRES/MPCM dated June 13, 1994.
20. “National Office of Protected Areas” means the Recipient’s national office of protected area (“*Office National des Aires Protégées – OFINAP*”) created by the Recipient’s Decree No. 2008-171/PRES/PM/MEF/MECU/MAHRH dated April 16, 2008.
21. “National Resources and Forest Management Association” means an association established among villages in accordance with the Recipient’s Law No. 10/92/ADP of December 15, 1992, for the purpose of, *inter alia*, managing natural resources and forests.

22. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by the Ministry of Agriculture, the Ministry of Environment, the Ministry of Livestock, the Chamber of Agriculture and the National Office of Protected Areas respectively, on account of operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
23. “Pest Management Plan” means the Recipient’s document entitled “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Plan de Gestion des Pestes et des Pesticides*» dated March 2009, describing the actions and policies required or appropriate to promote and support the safe, effective and environmentally-sound pest management under the Project, as such Pest Management Plan may be amended from time to time, and such term includes all schedules and agreements supplemental to the Pest Management Plan.
24. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 14, 2009 and on behalf of the Recipient on September 4, 2009.
25. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
26. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 23, 2009 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.

27. “Project Implementation Manual” means collectively the Recipient’s documents entitled “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Manuel d’Exécution (Document Principal)*” dated July 2009, “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Manuel d’Exécution (Document des Annexes)*” dated July 2009, and “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Manuel de Suivi-Evaluation*” dated August 2009, containing guidelines and procedures in form and substance satisfactory to the Association, used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environmental safeguards, Matching Grants and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in accordance with the provisions of this Agreement, and such term includes any schedule to the Project Implementation Manual.
28. “Project Manual of Financial, Accounting and Administrative Procedures” means the Recipient’s document entitled “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) - Manuel de Procédures de Gestion Administrative, Financière et Comptable*” dated August 2009 containing financial, administrative and accounting procedures applicable to the Project and satisfactory to the Association, as such manual may be amended from time to time in accordance with the provisions of this Agreement, and such term includes any schedule to the Project Manual of Financial, Accounting and Administrative Procedures.
29. “Region” means a Region on the Recipient’s territory established by Law No. 55.2004/AN dated December 21, 2004, and “Regional” has a corresponding meaning.
30. “Regional Chambers of Agriculture” means and the Regional Chambers of Agriculture created by the Recipient’s Decree No. 2001-770 bis dated December 31, 2001.
31. “Regional Coordination Committee” means one of the committees entitled “*Comité régional de coordination des politiques sectorielles agricoles*” established by the Recipient in each Region by Decree No. 2001-408/PRES/PM/AGRI dated August 29, 2001.

32. “Resettlement Action Plan” means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to a Sub-project, which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.
33. “Resettlement Policy Framework” means the Recipient’s document entitled “*Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Plan Cadre de Recasement des Populations (P.C.R.P)*” dated March 2009, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.
34. “Safeguard Documents” means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan, the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific Sub-projects, if any.
35. “Steering Committee” means the committee to be established by the Recipient for the Project in accordance with Section 4.01(a)(i) of this Agreement, with terms of reference and membership satisfactory to the Association.
36. “Sub-project” means a set of activities financed under Part 1(a) and Part 2(a) of the Project.
37. “Technical Coordination Committee” means the committee to be established by the Recipient for the Project in accordance with Section 4.01(a)(ii) of this Agreement, with terms of reference and membership satisfactory to the Association.
38. “Training” means the cost of training under the Project, based on annual budgets approved by the Association pursuant to Section III.C.3 of Schedule 2 to this Agreement, including costs associated with seminars, workshops, conference and study tours, 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.

39. “Villages Development Committee” means a village development committee established by the Recipient under Law No. 055-2004/AN dated December 21, 2004.
40. “World Food Program” means the United Nations World Food Organization.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. Refinancing Preparation Advance

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”