

CONFORMED

GRANT NUMBER TF099238

Education for All Fast Track Initiative Catalytic Fund Grant Agreement

(Second Basic Education Program Support Grant)

between

BURKINA FASO

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Education for All
Fast Track Initiative Catalytic Fund**

Dated March 29, 2011

Grant Number TF099238

FINANCING AGREEMENT

Agreement dated March 29, 2011, entered into between BURKINA FASO (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator (collectively “the World Bank”) of the Education for All Fast Track Initiative Catalytic Fund (“the Trust Fund”), for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The World Bank has decided to provide this financing on the basis, *inter alia*, of: (a) the actions which the Recipient has already taken under the Program and which are described in Section I of the Schedule to this Agreement, and (b) the Recipient’s maintenance of an appropriate macroeconomic policy framework. The Recipient and the World Bank therefore hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard 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 Standard Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The World Bank 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 forty-five million Dollars (\$45,000,000) (“Grant”).
- 2.02. The Recipient may withdraw the proceeds of the Grant in support of the Program in accordance with Section II of the Schedule to this Agreement.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end:
 - (a) the Recipient and the World Bank shall from time to time, at the request of either party, exchange views on the Recipient’s macroeconomic policy framework, the progress achieved in carrying out the Program and the actions specified in Section I of the Schedule to this Agreement;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the World Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the World Bank shall reasonably request; and

- (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the World Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of the Schedule to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. This Agreement shall not become effective until:
 - (a) evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action; and
 - (b) the World Bank is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank showing that this Agreement has been duly authorized or ratified by, and executed and delivered, on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the

delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

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

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

6.03. The World Bank's Address, referred to in Section 7.01 of the Standard Conditions, is:

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

Cable address:	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 Noel Bembamba
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT and INTERNATIONAL DEVELOPMENT
ASSOCIATION
acting as Administrator of the Education for All
Fast Track Initiative Catalytic Fund

By //s// Galina Sotirova
Authorized Representative

SCHEDULE

Program Actions; Availability of Grant Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program include the following:

- (i) In order to improve the budget execution for the implementation of the education sector construction program, the Recipient has: (i) entered into agreements with four agencies for the implementation of the 2009 program of school construction; and (ii) transferred the funds allocated to the financing of the 2009 program of school construction not spent at the end of fiscal year 2009, to said agencies to ensure completion of the program.
- (ii) In order to improve awareness of the public and the relevant staff on the expansion of the multi-grade classes, the Recipient has prepared and adopted a communication plan, and started its implementation, including through sensitization campaigns, training of teachers involved with multi-grade classes and supervisors, and distribution of a multi-grade management guide to supervisors and teachers, with a view to receiving feedback for its improvement.
- (iii) In order to improve the effective decentralization of responsibilities, resources and capacity in the construction of schools, the Recipient has: (i) increased the number of Communes to which responsibility for management of school construction and corresponding funds have been transferred, and (ii) established in the Recipient's ministry responsible for urbanism and habitat a commission with regional representations to monitor and evaluate school construction by, and provide technical support to, these Communes.
- (iv) In order to reduce teaching deficit in math and science, the Recipient has prepared training modules in math and science for certificate teaching courses for university students to be used for regular and distance education courses.
- (v) In order to reduce the repetition rate and increase the students' chances to successfully complete each teaching cycle, the Recipient has trained the teachers to enable them to teach the curriculum as a unified program by cycle (as opposed to a succession of annual programs within the cycle).
- (vi) In order to better leverage teachers' teaching time, the Recipient has: (i) issued an official circular on school openings to limit unauthorized schools' closings, insist on the strict application of rules and regulations on teaching hours and teachers' absences; (ii) introduced an annual period of administrative school opening to address administrative, logistical and maintenance issues before the beginning of the teaching period, (iii) strengthened its capacities (communication tools and training) to implement the administration's remedies to unauthorized absence of teachers in Primary Education; and (iv) established a monitoring and evaluation system

(including collecting, compiling and analyzing data) of the number of hours taught by full-time teachers and the use of part-time teachers in Secondary Education.

- (vii) In order to assess students' learning, the Recipient has: (i) designed and implemented pilots for student learning assessments in Primary Education in the Recipient's 45 Provinces and in Secondary Education in 23 Provinces; and (ii) published the results of these assessments.
- (viii) In order to start implementing its new policy and strategy to improve technical and vocational education training and the financial sustainability of training institutions, the Recipient has: (i) revised the training programs for key skills to better align to the needs of the labor market; (ii) established individual budget lines for each training institution; and (iii) adopted regulations allowing the training institutions to provide paid services to the private sector and allocate this income to the financing of their recurrent and development costs.
- (ix) In order to start implementing its new policy and strategy on health and nutrition in schools, the Recipient has started to include health, nutrition and HIV/AIDS in the low secondary education curriculum taught in 2009-2010 and in the teacher's guide to teaching.

Section II. Availability of Grant Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of this Section and such additional instructions as the World Bank may specify by notice to the Recipient.
- B. Allocation of Grant Amounts.** The Grant is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Grant. The allocation of the amounts of the Grant to this end is set out in the table below:

Allocations	Amount of the Grant Allocated (expressed in US Dollars)
Single Withdrawal Tranche	45,000,000
TOTAL AMOUNT	45,000,000

- C. Withdrawal Tranche Release Conditions.**
 - 1. No withdrawal shall be made of the Single Withdrawal Tranche unless the World Bank is satisfied (a) with the Program being carried out by the Recipient, and (b) with the appropriateness of the Recipient's macroeconomic policy framework.
- D. Deposits of Grant Amounts.** Except as the World Bank may otherwise agree:
 - 1. all withdrawals from the Grant Account shall be deposited by the World Bank into an account designated by the Recipient and acceptable to the World Bank; and

2. the Recipient shall ensure that upon each deposit of an amount of the Grant into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the World Bank.
- E. Excluded Expenditures.** The Recipient undertakes that the proceeds of the Grant shall not be used to finance Excluded Expenditures. If the World Bank determines at any time that an amount of the Grant was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the World Bank, refund an amount equal to the amount of such payment to the World Bank. Amounts refunded to the World Bank upon such request shall be cancelled.
- F. Closing Date.** The Closing Date is December 15, 2011.

APPENDIX

Section I. Definitions

1. “Commune” means a commune on the Recipient’s territory established by Law No. 55.2004/AN dated December 21, 2004.
2. “Education Law” means the Recipient’s Law No. 013-2007 of July 30, 2007 governing education.
3. “Excluded Expenditure” means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths’ or silversmiths’ wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
 - (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;
 - (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (f) with respect to which the World Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.
4. “Primary Education” means the primary education referred to in the Education Law.
5. “Program” means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated November 26, 2008 from the Recipient to the Association declaring the Recipient’s commitment to the execution of the Program, and requesting assistance from the World Bank in support of the Program during its execution.
6. “Province” means any of the forty-five subdivisions of the Recipient’s territory established in accordance with the Recipient’s Decree no. 83.012 of September 15, 1983 and Law no. 55.2004/AN dated December 21, 2004; and “Provinces” means more than one Province.
7. “Secondary Education” means the secondary education referred to in the Education Law.
8. “Single Withdrawal Tranche” means the amount of the Grant allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of the Schedule to this Agreement.
9. “Standard Conditions” means the “Standard Conditions for Grants made by the World Bank Out of Various Funds”, dated July 31, 2010 with the modifications set forth in Section II of this Appendix.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Sections 2.01 (*Project Execution Generally*), and 2.07 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.
2. Paragraph (a) of Section 2.03 (renumbered as such pursuant to paragraph 1 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.
3. Paragraph (c) of Section 2.04 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

“Section 2.04. *Documents; Records*

... (c) all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Grant are retained until two years after the Closing Date; and”

4. Section 2.05 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

“Section 2.05. *Program Monitoring, Reporting and Evaluation*

... (ii) ensure the preparation and delivery to the World Bank, not later than six months after the Closing Date, of one or more completion reports (“Completion Reports”) of such scope and in such detail as the World Bank shall reasonably request, on the execution of the Program, the performance by the Recipient and the World Bank of their respective obligations under the Grant Agreement and the accomplishment of the purposes of the Grant.”

5. The last sentence of paragraph (c) of Section 3.04 (relating to Applications and Supporting Evidence) is deleted in its entirety.
6. Sections 3.05 (*Designated Accounts*) and 3.06 (*Eligible Expenditures*) are deleted in their entirety, and the remaining Sections in Article III are renumbered accordingly
7. 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 definition of the term “Eligible Expenditure” is modified to read as follows:

“‘Eligible Expenditure’ means any use to which the Grant is put in support of the Program, other than to finance expenditures excluded pursuant to the Grant Agreement.”

- (b) The term “Financial Statements” and its definition as set forth in the Appendix are deleted in their entirety.

- (c) The term “Project” is modified to read “Program” and its definition is modified to read as follows:

“‘Program’ means the program referred to in the Grant Agreement in support of which the Grant is made.” All references to “Project” throughout these Standard Conditions are deemed to be references to “Program”.