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AGREEMENT RELATED TO CREDIT NUMBER 2244 BUR

Norwegian Grant Agreement

(Fourth Education Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of development  
aid funds provided by

the Royal Ministry of Foreign Affairs of  
the Kingdom of Norway

Dated September 18, 1991

AGREEMENT RELATED TO CREDIT NUMBER 2244 BUR

NORWEGIAN GRANT AGREEMENT

AGREEMENT, dated September 18, 1991, between BURKINA FASO (the "Grantee") and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) acting as Administrator (the "Administrator") of the Norwegian Grant (as hereinafter defined) provided by the Royal Ministry of Foreign Affairs of the Kingdom of Norway ("Norway").

WHEREAS (A) the Grantee has requested the assistance of the Association and Norway in the financing of its Fourth Education Project (the "Project");

(B) Norway has agreed to make available a grant (the "Norwegian Grant") through the Administrator to the Grantee to assist in the financing of the Project described in Schedule 2 to this Agreement, on the terms and conditions hereinafter set forth;

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

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

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

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

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

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

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

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

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

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

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

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

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

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

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

(a) "Special Account" means the account referred to in Section 2.02 (c) of this Agreement;

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

(c) "FCFA" means the currency of the Grantee.

## ARTICLE II

### The Grant

Section 2.01. The Administrator agrees to extend to the Grantee, on the terms

and conditions herein set forth or referred to, a grant in an amount of twenty-five million Norwegian Kroner (NOK 25,000,000) or such other amount as shall have been made available by Norway to the Administrator for this purpose pursuant to the Administration Agreement.

Section 2.02. (a) The amount of the Norwegian Grant may be withdrawn from the Trust Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Grantee and the Administrator for expenditures made (or if the Administrator shall so agree, to be made) in respect of the reasonable cost of the goods and services required for the Project.

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

(c) The Grantee shall, for the purposes of the Project, open and maintain in FCFA a special account (the "Special Account") in a commercial bank on terms and conditions satisfactory to the Administrator. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 3 to this Agreement.

Section 2.03. (a) Consultants and experts acceptable to the Administrator shall be employed by the Grantee on terms and conditions satisfactory to the Administrator for the provision of services to be financed out of the proceeds of the Norwegian Grant. Such consultants and experts shall be selected in accordance with procedures satisfactory to the Administrator on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" (the Guidelines), published by the Bank in August 1981. No substitution of such consultants and experts or modification of the terms and conditions of their employment shall be made except with the prior consent of the Administrator.

(b) Goods and works to be financed out of the proceeds of the Norwegian Grant shall be procured under contracts awarded in accordance with procedures satisfactory to the Administrator on the basis of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985.

(c) Items or groups of items estimated to cost not more than the equivalent of twenty thousand dollars (\$20,000) per contract, up to an aggregate amount not to exceed the equivalent of two hundred thousand dollars (\$200,000), may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers, in accordance with procedures satisfactory to the Association.

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

Section 2.04. The Closing Date shall be June 30, 1998, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Grantee of such later date.

### ARTICLE III

#### Execution of the Project

Section 3.01. The Grantee declares its commitment to the objectives of the Project and, to this end, shall carry out the Project with due diligence and efficiency, and in conformity with appropriate administrative, financial and

educational practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

#### ARTICLE IV

##### Financial Covenants

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

(b) The Grantee shall:

(i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;

(ii) furnish to the Administrator, as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and

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

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

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

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

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

(iv) ensure that said accounts and records shall be audited on a semiannual basis by said auditors, who shall prepare audit reports accordingly and furnish them to the Association, not later than three (3) months after the end of such semiannual audit period, along with an opinion as to whether the statements of expenditure submitted during such period, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

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

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

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

For the Grantee:

Ministere du Plan et de la Cooperation  
B. P. 7050  
Ouagadougou  
Burkina Faso

Telex:

5555 SEGEGOUV

For the Administrator:

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

Cable address:

INDEVAS  
Washington, D.C.

Telex:

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

Section 5.03. In accordance with the provisions of the Administration Agreement, the rights and obligations of the Administrator under this Agreement may be transferred to Norway. The Grantee accepts and agrees that, upon notice by the Administrator to the Grantee to that effect, Norway shall, ipso facto, from the date specified in such notice, be substituted in all rights and obligations of the Administrator under this Agreement as if Norway had been an original party to this Agreement, without any further action or formality required on the part of any party, and from such date the Administrator shall cease to have any rights or obligations as a party under this Agreement.

#### ARTICLE VI

##### Effectiveness

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

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

BURKINA FASO

By /s/ Paul Desire Kabore

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of the Norwegian Grant

By /s/ Edward V.K. Jaycox

Regional Vice President  
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Grant, the allocation of the amounts of the Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Grant Allocated (Expressed in NOK)	% of Expenditures to be Financed
(1) Textbooks Primary Schools (Part C.2 only)	23,000,000	100%
(2) Health and First Aid Supplies (Part C.4 only)	2,000,000	100%
TOTAL	25,000,000	

SCHEDULE 2

Description

The objectives of the Project are to assist the Grantee in the further development of good quality basic education, in increasing enrollment therein from 31% in 1989-90 to 40% by 1996-97, in improving the quality of general secondary education, and in strengthening institutional capacities in the education sector.

The Project consists of an investment program complemented by key policy measures, and comprises the following parts, subject to such modifications thereof as the Grantee and the Administrator may agree upon from time to time to achieve such objectives.

Part A: Improving Resource Allocation and Efficiency in the Sector

1. Increasing the teaching cadre through the recruitment of an average of about 950 teachers annually until 1996-1997, increasing the supply of textbooks and teaching materials, and the services of inspectors needed to improve the quality, and expanding the enrollment rate of primary education from 31% in 1989-1990 to 40% by 1996-1997.

2. Introducing and generalizing multigrade teaching in a minimum of 840 classrooms over the Project period.

3. Introducing a double-shift system in a minimum of 590 classrooms over the Project period and, following an evaluation, generalizing the system.

Part B: Promoting Private Sector Initiatives in Education

1. Promoting private sector initiatives by removing ceilings on fees charged by private and community schools.

2. Increasing access of private and community schools to low-cost textbooks and teaching materials, pre-service and in-service teaching and inspectorate services, and strengthening their operations in respect of school calendars, curricula, teacher qualifications and student assessments.

Part C: Improving the Quality of and Increasing Access to Primary Education

1. Improving the quality of teaching by upgrading the skills of about 4,000

teachers, strengthening primary school management and teacher supervision through the training of about 2,000 school directors and 200 new school inspectors and advisers, and revising the student assessment and examination system.

2. Increasing the availability of quality textbooks and teaching materials through completion of the publishing program under the Primary Education Development Project, improvement of the quality of textbooks and teaching materials, strengthening of the distribution system, and introduction of a book rental scheme.

3. Increasing the number of primary school places through the improvement of construction and management skills of selected communities and the construction of about 1,200 classrooms and the rehabilitation of about 300 classrooms by such communities.

4. Improvement of students' health and nutrition through the reinforcement of school health and nutrition programs and the provision of micro-nutrients and deworming tablets.

5. Promoting female student participation in education, in accordance with the findings of studies under Part F below.

Part D: Improving the Quality of General Secondary Education

1. Upgrading the skills of teachers through enhanced training and the provision of equipment and supplies for the pre-service training course at the National Institute for the Science of Education and in-service training for about 2,000 teachers.

2. Strengthening the Secondary School Inspectorate through training and logistical support for its staff.

3. Establishing a system for ensuring a regular supply of low-cost textbooks and teaching materials in secondary schools, including a textbook loan scheme and revolving fund for textbook re-supply.

Part E: Institutional Strengthening in the Sector

Strengthening of the capacities of MEBAM, MESSRS and the University in policy-making and project implementation, and improving operational efficiency.

Part F: Studies

A program of studies relating to the sector, including studies on: (a) constraints on female student participation in the education system and measures to address these constraints, and (b) strategies for the development of technical education and vocational training.

\* \* \* \*

The Project is expected to be completed by December 31, 1997.

SCHEDULE 3

Special Account

1. For the purposes of this Schedule:

(a) the term "Category" means Categories (1) and (2) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "Eligible Expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project to be financed out of the proceeds of the Grant; and

(c) the term "Authorized Allocation" means an amount equivalent to \$250,000 to be withdrawn from the Trust Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Except as the Administrator shall otherwise agree, payments out of the Special Account shall be made exclusively for Eligible Expenditures in accordance with the provisions of this Schedule.

3. After the Administrator has received evidence satisfactory to the Administrator that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account may be made as follows:

(a) On the basis of a request or requests by the Grantee for a deposit or deposits which add up to the aggregate amount of the Authorized Allocation, the Administrator shall, on behalf of the Grantee, deposit into the Special Account such amount or amounts out of the proceeds of the Grant as the Grantee shall have requested.

(b) The Grantee shall furnish to the Administrator requests for replenishment of the Special Account at such intervals as the Administrator shall specify. On the basis of such requests, the Administrator shall deposit into the Special Account such amounts out of the proceeds of the Grant as shall be required to replenish the Special Account with amounts not exceeding the amount of payments made out of the Special Account for Eligible Expenditures. Each such deposit shall be made by the Administrator in the respective equivalent amount, as shall have been justified by the evidence supporting the request for such deposit furnished pursuant to paragraph 4 of this Schedule.

4. For each payment made by the Grantee out of the Special Account for which the Grantee requests replenishment pursuant to paragraph 3 (b) of this Schedule, the Grantee shall furnish to the Administrator, prior to or at the time of such request, such documents and other evidence as the Administrator shall reasonably request, showing that such payment was made for Eligible Expenditures.

5. (a) Notwithstanding the provisions of paragraph 3 of this Schedule, no further deposit into the Special Account shall be made by the Administrator when either of the following situations first arises:

(i) the Administrator shall have determined that all further withdrawals of the Grant proceeds should be made directly to the Grantee; or

(ii) the total unwithdrawn amount of the Grant shall be equal to the equivalent of twice the amount of the Authorized Allocation.

(b) Thereafter, withdrawals of the Grant proceeds remaining unwithdrawn shall follow such procedures as the Administrator shall specify by notice to the Grantee. Such further withdrawals shall be made only after and to the extent that the Administrator shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice have been or will be utilized in making payments for Eligible Expenditures.

6. If the Administrator shall have determined at any time that any payment out of the Special Account: (i) was made for any expenditure or in any amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished pursuant to paragraph 4 of this Schedule, the Grantee shall, promptly upon notice from the Administrator, deposit into the Special Account (or, if the Administrator shall so request, refund to the Administrator) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. No further deposit by the Administrator into the Special Account shall be made until the Grantee has made such deposit or refund.

7. If the Administrator shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for Eligible Expenditures, the Grantee shall, promptly upon notice from the Administrator, refund to the Administrator such outstanding amount which will be added to the unwithdrawn amount of the Grant.





