

CONFORMED COPY

GRANT NUMBER H637-BF

Project Agreement

(Additional Financing for a Competitiveness and Enterprise Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

MAISON DE L'ENTREPRISE DU BURKINA FASO

Dated February 21, 2011

PROJECT AGREEMENT

Agreement dated February 21, 2011, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and MAISON DE L’ENTREPRISE DU BURKINA FASO (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between BURKINA FASO (“Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its General Manager (*Directeur Général*).

4.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423(MCI)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

Maison de l'Entreprise du Burkina Faso
11 BP 379
Ouagadougou 11
Burkina Faso

Facsimile:

+ 226.50.39.80.62

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Madani M. Tall
Authorized Representative

MAISON DE L'ENTREPRISE DU BURKINA FASO

By //s// Birahima Nacoulma
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Throughout the implementation of the Project, the Project Implementing Entity shall be responsible for the Project coordination and implementation including, inter alia, preparation of annual work programs and budgets, procurement, financial management, supervision, monitoring, evaluation, reporting, auditing, and capacity building.
2. Throughout the implementation of the Project, The Project Implementing Entity shall be staffed with personnel in adequate numbers and with terms of reference, qualifications and experience satisfactory to the Association, for the implementation of the Project.

B. Anti-Corruption

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

C. Matching-Grants.

1. The Project Implementing Entity shall make Matching-Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, as further detailed in the Project Manuals.
2. The Project Implementing Entity shall appraise, approve and monitor the Sub-projects and administer Matching Grants in accordance with the provisions and procedures acceptable to the Association and described in the Project Manuals.
3. No proposed Sub-project shall be eligible for financing under a Matching Grant unless the Project Implementing Entity has determined that it satisfies the eligibility criteria specified in more details in the Project Manuals, and which shall include, inter alia, the following:
 - (i) the proposed Subproject: (A) is designed to improve the performance of entrepreneurs in the Recipient's territory in such areas as marketing, quality control, production planning, and reorganization of value chain and production processes; (B) is based on a well developed performance improvement strategy and consists exclusively of training and/or technical assistance designed, inter alia, to improve the capability of entrepreneurs to address the environmental impacts of their investments; (C) does not include any civil works, or feasibility or engineering studies which would lead to an investment (even though the investment itself would not be financed from the funds of the Matching Grant); and (D) is technically feasible and economically and financially viable; and

- (ii) the proposed Beneficiary: (A) (1) if it is not a training provider, is privately owned and (2) in all cases, is a legal entity with the organization, management, technical capacity and financial resources necessary to carry out the proposed Subproject; (B) has prepared a satisfactory financing plan and budget and implementation plan for the proposed Subproject; and (C) has committed to finance at least 20% of the total estimated cost of the Subproject out of its own resources.
- 4. No Matching Grant shall be made by the Project Implementing Entity unless and until the Project Manuals shall have been updated in accordance with Section I.D.1 of the Financing Agreement.
- 5. The Project Implementing Entity shall make each Matching-Grant under a Matching Grant Agreement with the respective Beneficiary on the basis of a model form approved by the Association and attached to the Project Manuals and terms and conditions approved by the Association, which shall include the following:
 - (a) The Matching Grant shall be (i) provided in the form of a non reimbursable grant; and (ii) denominated and repayable in CFA Francs.
 - (b) The Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Recipient and 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; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Project Manuals and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Recipient's or the Association's or the Project Implementing Entity's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient, the Association and the Project Implementing Entity; (F) enable the Recipient, the Association and the Project Implementing Entity to inspect the Sub-project, its operation and any relevant records and documents;

and (G) prepare and furnish to the Recipient, the Association and the Project Implementing Entity all such information as the Recipient or the Association or the Project Implementing Entity shall reasonably request relating to the foregoing.

6. The Project Implementing Entity shall exercise its rights and its obligations under each Matching-Grant Agreement in such manner as to protect the interests of the Recipient, the Association and the Project Implementing Entity and to accomplish the purposes of the Financing. Except as the Recipient and the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, terminate, abrogate, waive or fail to enforce any Matching-Grant Agreement or any of its provisions.

D. 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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity 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 indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later one (1) month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than five months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

All goods and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.