

CONFORMED COPY

CREDIT NUMBER 2414 BUR

(Food Security and Nutrition Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 6, 1992

CREDIT NUMBER 2414 BUR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated October 6, 1992, between BURKINA FASO (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) the Borrower intends to contract from Federal Republic of Germany (Germany) a loan (the German Loan) in an amount equivalent to \$2,700,000 to assist in financing the Project on the terms and conditions set forth in an agreement (the German Loan Agreement) to be entered into between the Borrower and Germany;

(C) the Borrower intends to contract from the World Food Program (WFP) a grant (the WFP Grant) in an amount equivalent to \$1,100,000 to assist in financing the Project on the terms and conditions set forth in an agreement (the WFP Grant Agreement) to be entered into between the Borrower and WFP; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower 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, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

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

- (a) "BG" has the same meaning as in Section 3.04 (a) of this Agreement;
- (b) "CFAF" or "CFA Franc" means the currency of the Borrower;
- (c) "CNCPC" has the same meaning as in paragraph 2 of Schedule 4 to this Agreement;
- (d) "EWS" means the Early Warning System referred to under Part B.1 of the Project;
- (e) "FASO BAARA" means Agence Faso Baara, an entity established and existing under the laws of the Borrower;
- (f) "HHFSU" has the same meaning as in paragraph 2 of Schedule 4 to this Agreement;
- (g) "MAE" means Ministcre de l'Agriculture et de l'Elevage;
- (h) "NGO" means non-governmental organization;
- (i) "preselected", in relation to an NGO, means preselected by a Provincial Project Unit, pursuant to the provisions of Section 7.01 (g) of this Agreement or paragraph 3 of Schedule 4 hereto;
- (j) "Project Management Contract" means the Project Management Contract referred to in Section 3.05 of this Agreement;
- (k) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated June 25, 1992 and July 28, 1992 between the Borrower and the Association;
- (l) "Provincial Coordinator" means a coordinator of the Project within a Provincial Project Unit;
- (m) "Provincial Project Unit" means the unit responsible for implementation of the Project in each of the selected provinces;
- (n) "selected provinces" means the provinces of Gnagna, Namentaega, Passore and Soum;
- (o) "Special Account" and "sub-account" mean, respectively, the account and any sub-account referred to in Section 2.02 (b) of this Agreement;
- (p) "SPONG" means the NGO Permanent Secretariat.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to five million five hundred thousand Special Drawing Rights (SDR 5,500,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF a special deposit account in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. The Borrower may, additionally, have a sub-account opened and maintained, in the name of the Provincial Project Unit, in each of the selected provinces, as well as a sub-account, in the name of FASO BAARA, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account and each sub-account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be June 30, 1999 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next payment date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on January 1 and July 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall

repay the principal amount of the Credit in semi-annual installments payable on each January 1 and July 1, commencing January 1, 2003 and ending July 1, 2032. Each installment to and including the installment payable on July 1, 2012 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years, and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end:

(i) shall carry out Parts A, B, C.2 and D.3 of the Project through MAE, and Parts D.1, D.2 and E of the Project through the Provincial Project Unit, with due diligence and efficiency and in conformity with appropriate financial, administrative, technical and agricultural practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for such Parts of the Project; and

(ii) shall cause FASO BAARA to carry out Part C.1 of the Project with due diligence and efficiency and in conformity with appropriate technical, administrative, financial and engineering practices, shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable FASO BAARA to carry out the Project, and shall not take or permit to be taken any action which would prevent or interfere with the carrying out of the Project by FASO BAARA.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out Parts A, B, C.2, D and E of the Project and shall cause FASO BAARA to carry out Part C.1 of the Project, all in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. The Association and the Borrower hereby agree that the obligations

set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of Part C.1 of the Project shall be carried out by FASO BAARA.

Section 3.04. (a) For purposes of Part D of the Project the Borrower shall on-lend an aggregate amount of the proceeds of the credit not exceeding \$2,000,000 to finance sub-projects in the selected provinces, on the basis of a zero rate of interest and a repayment period not exceeding 24 calendar months, and on such other terms and conditions as shall be acceptable to the Association, including, but not limited to, the following:

(i) every sub-loan shall be made for the benefit of a beneficiary group (BG), consisting of an average of 30 members, which has formed a management committee and undertaken to contribute not less than 20 percent of the total cost in cash or in kind of the sub-project;

(ii) no sub-loan shall be in excess of CFAF 2 million or have a repayment period of more than 2 years, and no BG shall benefit from financing under the Project for an aggregate period in excess of four years;

(iii) every sub-project proposal shall have been (A) sponsored by a preselected local NGO, and (B) demonstrated to be capable of improving household food security, health and nutritional status of the poorer households within the selected provinces;

(iv) in the selection of sub-projects to be financed under the Project, preference shall be given to those sub-projects, (A) which have been demonstrated to be sustainable, technically feasible and sound, and (B) whose beneficiaries are involved in the design, implementation or management thereof, or are able and willing to contribute thereto in labor or materials; and

(v) the proceeds of each sub-loan shall be disbursed on the basis of a sub-project agreement to be entered into amongst the BG, the sponsoring NGO and the Provincial Project Unit, represented by the Provincial Coordinator, and giving details of the sub-project to be financed, the financing plan including the respective contributions of the BG and the sub-loan, the disbursement schedule and repayment terms.

(b) In this Section:

(i) the term "sub-project" means a sub-project under Part D.1 of the Project;

(ii) the term "sub-loan" means an amount on-lent under paragraph (a) of this Section to finance a sub-project; and the term "sub-project agreement" shall be construed accordingly.

Section 3.05. (a) For purposes of Part C.1 of the Project, the Borrower shall conclude with FASO BAARA a Project Management Contract, acceptable to the Association:

(i) giving details of sub-projects to be undertaken by FASO BAARA, the criteria to be used for the selection thereof, the proposed schedules and work programs, the respective obligations of the Borrower and FASO BAARA thereunder, as well as the procurement procedures to be used by FASO BAARA for the selection of sub-projects and sub-contractors, and for the award of contracts; and

(ii) including provisions to the following effect, namely that:

(A) FASO BAARA shall, not later than September 15 of each year, submit a program of sub-projects to be executed during the following, and the value thereof,

together with an expanded inventory of potential sub-projects
which are capable of being executed in each of the selected
provinces during the same period;

(B) FASO BAARA shall revise its Procedures' Manual and, in particular, its procurement procedures, to the extent necessary or appropriate to conform with the requirements of the Project Management Contract; and

(C) FASO BAARA shall invite applications from eligible firms to be considered for prequalification, in accordance with the provisions of the Project Management Contract and the revised Procedures' Manual, and shall proceed accordingly to the compilation of an initial list of sub-contractors and engineering firms who shall have been so prequalified.

(b) The Borrower shall exercise its rights under the Project Management Contract in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Project Management Contract, or any provision thereof.

(c) In this Section, the term "sub-project" means a sub-project under Part C.1 of the Project.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower 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 Parts A, B, C.2, D and E of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

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

(ii) furnish to the Association, 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 Association shall have reasonably requested; and

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

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

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

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account or sub-account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

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

(iv) ensure that the 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.

Section 4.02. (a) The Borrower shall cause FASO BAARA to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations and financial condition of FASO BAARA.

(b) The Borrower shall cause FASO BAARA to:

(i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) and the records and accounts for the Special Account and sub-account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association as soon as available, but in any case not later than nine months after the end of each such year, (A) certified copies of its financial statements for such year as so audited, and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

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

(c) For all expenditures with respect to which withdrawals from the Credit Account for Part C.1 of the Project were made on the basis of statements of expenditure, the Borrower shall cause FASO BAARA to:

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

(ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account or payment out of the Special Account or sub-account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

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

(iv) ensure that the 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

Other Covenants

Section 5.01. The Borrower shall cause FASO BAARA:

(a) to take out and maintain with responsible insurers, or to make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice;

(b) to carry on its operations and conduct its affairs in accordance with sound administrative, financial, technical and engineering practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers; and

(c) at all times to operate and to maintain its plants, machinery, equipment and other property, and from time to time, promptly as needed, to make all necessary repairs and renewals thereof, all in accordance with sound financial, technical and engineering practices.

ARTICLE VI

Remedies of the Association

Section 6.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) The Borrower or FASO BAARA, as the case may be, shall have failed to perform any of its obligations under the Project Management Contract.

(b) As a result of events which have occurred after the date of the Development Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Borrower or FASO BAARA, as the case may be, will be able to perform its obligations under the Project Management Contract.

(c) The Statute Convention, dated August 12, 1991, between the Borrower and FASO BAARA shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of FASO BAARA to perform any of its obligations under the Project Management Contract.

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of FASO BAARA or for the suspension of its operations.

(e) The German Agreement or the WFP Grant Agreement shall have failed to become effective by July 1, 1993, or such later date as the Association may agree; provided, however, that the provisions of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

(f) (i) Subject to subparagraph (ii) of this paragraph:

(A) The right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms thereof, or

(B) any such loan shall have become due and payable prior to the maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 6.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) any event specified in paragraph (a) of Section 6.01 of this Agreement shall occur and shall continue for a period of 60 days after notice thereof shall have been given by the Association to the Borrower;

(b) any event specified in paragraph (b), (c) or (d) of Section 6.01 of this Agreement shall occur;

(c) any event specified in paragraph (e) of Section 6.01 of this Agreement shall occur, subject to the proviso thereof; and

(d) any event specified in paragraph (f) (i) (B) of Section 6.01 of this Agreement shall occur, subject to the proviso of paragraph (f) (ii) of that Section.

ARTICLE VII

Effective Date; Termination

Section 7.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) The Borrower has published the Decrees establishing, respectively, the CNCPC, its Permanent Secretariat and HHFSU;

(b) The Borrower has appointed independent auditors, acceptable to the Association, to audit the Project accounts in accordance with the requirements of Section 4.01 of this Agreement, and has established an accounting and financial management system, acceptable to the Association;

(c) The Project Management Contract has been concluded;

(d) FASO BAARA has submitted, in accordance with the requirements set forth in Section 3.05 (a) (ii) (A) of this Agreement, a proposed program of sub-projects, covering a program period of not less than six months ending at the end of the current fiscal year or the fiscal year next following, as the case may be;

(e) Necessary modifications to the Procedures' Manual of FASO BAARA have been duly made and adopted, in accordance with the requirements set forth in Section 3.05 (a) (ii) (B) of this Agreement;

(f) an initial list of prequalified sub-contractors and engineering firms has been duly compiled, in accordance with the requirements set forth in Section 3.05 (a) (ii) (C) of this Agreement, and submitted to, and approved by, the Association;

(g) The Provincial Coordinator for the province of Passore has been appointed, a Provincial Project Unit established therein, and a list of preselected local NGOs duly compiled for that province, and submitted to, and approved by, the Association;

(h) The Borrower has (i) issued a Procedures' Manual, acceptable to the Association, setting forth the procedures governing the preselection of NGOs and their activities under the Project, and (ii) signed a contract with SPONG for the training of preselected NGOs in project identification, preparation and presentation, and the maintenance of accounts;

(i) The Borrower has recruited the requisite number of technical assistants and other higher level staff required for the EWS Unit, all of whom shall have qualifications and experience acceptable to the Association; and

(j) The baseline survey under Part D.3 (a) of the Project has been completed.

Section 7.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VIII

Representatives of the Borrower; Addresses

Section 8.01. The Minister of Finance and Planning of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Finance and Planning
B.P. 7050
Ouagadougou
Burkina Faso

Telex:

5555 SEGEGOUV

For the Association:

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

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, 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

By /s/ Katherine Marshall

Acting Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

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

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil works	1,240,000	100%
(2) Sub-projects under Part D.1 of the Project	1,460,000	100%
(3) Vehicles, equipment and supplies	510,000	100%
(4) Consultants' services and studies	360,000	100%
(5) Training	360,000	100%
(6) Operating costs	730,000	100%
(7) Refunding of Project Preparation Advance	150,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(8) Unallocated	660,000	
TOTAL	5,500,000 =====	

2. For the purposes of this Schedule, the term "operating costs" means the incremental costs arising under the Project on account of local contractual staff salaries and allowances, office rent, supplies and utilities, and maintenance of vehicles, fuel and equipment.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

SCHEDULE 2

Description of the Project

The objectives of the Project are: (a) at the national level, to reduce the Borrower's response time for reacting to national food emergencies, improve the targeting of food security programs to concentrate on low-income groups in drought-prone provinces, and provide a data base and logistic frame for rational decision-making on food security and nutritional issues; and (b) at the household level, to improve household coping mechanisms by diversifying income sources of the rural poor for improved food security and nutrition, and improving the efficient use of available household food to achieve better nutritional status for children below the age of three and lactating mothers.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Institution Building and Strengthening

1. Strengthen institutional capabilities of CNCPC and HHFSU.

2. Support for research on priority themes.

Part B: Integrated Early Warning System

1. Establish an integrated Early Warning System (EWS) for food shortages, and develop data gathering, processing and analysis capabilities of EWS Unit.

2. Improve reliability of agricultural statistics at the provincial level, and the collection of information on farming activities, through implementation of a National Survey of Agricultural Statistics.

Part C: Labor Intensive Programs

1. Support labor intensive public works sub-projects, including communal road building and maintenance, construction of schools, health posts and day care centers, and wells and micro-dams to provide potable or irrigation water, in selected provinces during times of low agricultural labor demand.

2. Strengthen monitoring and evaluation of labor intensive food-for-work programs.

Part D: Household Income Generating Activities

1. Support a program of sub-projects designed and implemented by predominantly women's groups of food insecure households, in the selected provinces.

2. Train preselected NGOs and BGs in project identification, preparation, presentation and maintenance of project accounts.

3. Conduct (a) a baseline survey, a mid-term survey, and a final survey of sub-projects in Passore, (b) a Project launching workshop, and (c) a publicity campaign to explain the objectives, target group and conditions of support under this component.

Part E: Nutrition Education

1. Conduct a beneficiary assessment to identify the food and nutrition concerns of the target population.

2. Conduct a multi-media nutrition education campaign involving development and distribution of video films, theater plays, radio contests, exchange of experiences between village associations, and printing of messages in support to other communication channels.

3. Conduct an intensive inter-personal communication campaign, using a participative community method of nutrition education, known as the GRAAP method, and delivered by extension workers at the village level from the agriculture and NGO services.

4. Conduct a rapid assessment of the training needs of agricultural extension agents in each of the selected provinces.

5. Train about 150 agricultural extension workers and about 64 NGO extension workers in GRAAP method with a focus on nutrition education, followed by refresher sessions each year.

6. Develop inter-sectoral provincial communication plans through workshops.

* * *

The Project is expected to be completed by December 31, 1998.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$100,000 or more.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in Burkina Faso may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Items or groups of items required under Part D.1 of the Project, up to an aggregate amount equivalent to \$2,200,000, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

2. Contracts for civil works under Part C.1 of the Project, up to an aggregate amount equivalent to \$2,000,000, may be awarded on the basis of competitive bidding, in accordance with procedures satisfactory to the Association, amongst bidders who have been prequalified on the basis of criteria acceptable to the Association.

Part D: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract for goods estimated to cost the equivalent of \$100,000 or more, as well as the first contract to be awarded pursuant to paragraph 2 of Part C of this Schedule, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with

principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

SCHEDULE 4

Implementation Program

1. (a) The Borrower and the Association shall, not later than September 30, 1993 and, thereafter, not later than September 30 of each subsequent year, undertake a joint review of the Project or, as the case may be, not later than September 30, 1995, a mid-term review, during which they shall exchange views generally on all matters relating to the progress of the Project, and the performance by the Borrower and FASO BAARA of their respective obligations under this Agreement or the Project Management Contract, as the case may be; including, but not limited to: (i) the execution of the work program for the current fiscal year, in the light of the key monitorable indicators agreed upon between the Borrower and the Association, and (ii) the proposed budget and work program, including the schedule of proposed procurement actions, for the forthcoming fiscal year.

(b) Not later than one month prior to each such review, the Borrower shall furnish to the Association, for its comments, a report, in such detail as the Association shall reasonably request, on the progress and status of the Project, and giving details, in particular, of the proposed budget and work program for the forthcoming fiscal year.

(c) Following each such review, the Borrower undertakes to act promptly and diligently, in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

(d) Without limitation to the preceding paragraphs (a), (b) and (c) of this Section, the Borrower shall, throughout the period of implementation of the Project, submit to the Association, for its review and comments, quarterly progress reports on staffing arrangements pertaining to the Project, training and retraining, and procurement actions under the Project, implementation of technical assistance, and information, education and communication (IEC) training activities, the activities of the EWS Unit, research, Project expenditures, the performance of information gathering and analysis units, and monitoring and evaluation activities.

2. The Borrower shall establish: (a) a Comité National de Coordination de la Politique Cerealicre (CNCPC), to be chaired by the Minister of Agriculture and consisting of representatives of other interested Ministries and agencies, to guide, monitor and coordinate cereals policy, organize consultations with partners involved in the provision of food aid, monitor the implementation of the Cereals Plan and provide regular evaluations, and provide a forum for the design of a national food security and nutrition strategy; (b) a Permanent Secretariat to assist the CNCPC in the performance of its functions; and (c) a Household Food and Security Unit (HHFSU), to be responsible for planning, field actions, and the monitoring and evaluation of food security projects.

3. The Borrower shall ensure that: (a) a Provincial Coordinator has been appointed, and a Provincial Project Unit established, for each of the selected provinces other than Passore, and (b) a list of preselected local NGOs has been duly compiled for each province, and submitted to, and approved by, the Association, not later than December 31, 1993, in the case of the province of Namentaega, and not later than December 31, 1994, in the case of the remaining provinces.

4. Upon the establishment of Provincial Project Unit in each of the selected provinces, the Borrower shall conclude, on behalf of the Unit, a contract with a suitably qualified and experienced NGO for the training of agricultural extension staff and preselected NGOs in nutrition education.

5. A Provincial Communication Plan, designed to standardize the content of core nutrition education messages and ensure their complementarity with other on-going

nutrition projects, will be developed for each of the selected provinces and submitted to the Association in each case for prior review.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (6) 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 and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$400,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account and each sub-account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

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

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account or a sub-account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account and each sub-account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. The provisions of paragraphs 3 and 4 of this Schedule, relating to the withdrawal of the Authorized Allocation and the replenishment of the Special Account, shall apply, subject to such modifications and adjustments as may be necessary or appropriate, to initial payments made into, and subsequent replenishments of, each sub-account by the Borrower; provided, however, that the amount corresponding to the Authorized Allocation shall be

determined, in respect of each sub-account, by agreement between the Borrower and the Association.

6. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account and each sub-account as of the date of such notice will be utilized in making payments for eligible expenditures.

7. (a) If the Association shall have determined at any time that any payment out of the Special Account or a sub-account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account or the sub-account, as the case may be, or, if the Association shall so request, refund to the Association, an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account or a sub-account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account or any sub-account.

(d) Refunds to the Association made pursuant to paragraphs 7 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

