Financing Agreement

(Additional Financing for the Health Sector Support and Multi-Sectoral Aids Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 8, 2008
FINANCING AGREEMENT

AGREEMENT dated July 8, 2008, entered into between BURKINA FASO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nine million two hundred thousand Special Drawing Rights (SDR 9,200,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”);

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are April 1 and October 1 in each year.

2.05. The Payment Currency is the Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:

(a) The Recipient has not used the funds of the Financing as specified in the Annual Confirmation.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following:

(a) The Recipient has adopted an amendment or rider to its Health Project Implementation Manual and its Health Manual of Financial and Administrative Procedures, for the purpose of implementing Project, in form and substance satisfactory to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE 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
Ministry of Economy and Finance
03 BP 7050
Ouagadougou 03
Burkina Faso

Cable: SEEGOUV
Telex: 5555
Facsimile: (226) 50-31-27-15

6.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

BURKINA FASO

By /s/ Jean Baptiste M. P. Compaoré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Galina Y. Sotirova

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to support the implementation of the Recipient’s Program which aims at improving health on the Recipient’s territory.

The Project consists of the carrying out of Annual Work Programs for the implementation of the Program, including:

(1) improving quality and utilization of maternal and child health services, including through: (i) scaling up integrated management of child illness; (ii) improving quality and reducing the cost for emergency obstetrical care and normal deliveries; (iii) supporting basic training and equipment for maternal and child health services; (iv) improving medical waste management; (v) strengthening planning tools and guidelines; (vi) supporting promotion campaigns; and (vii) strengthening infrastructure in the health districts;

(2) scaling up the malaria response and control of communicable diseases, including through: (i) supporting malaria prevention and treatment, including through the distribution of key commodities for malaria control; (ii) supporting the finalization of a prioritized and costed strategy for malaria; and (iii) supporting response to epidemics, including meningitis, cholera and bird influenza;

(3) scaling up AIDS treatment, including through: (i) supporting non-governmental and other associations of persons living with AIDS to carry out AIDS treatment, and medical care and support; and (ii) improving training, supervision and monitoring of treatment and prevention of sexually transmitted infections in public and private sectors;

(4) Scaling up and harmonization of essential health and nutrition actions at community level, including through: (i) the strengthening of leadership and capacity to engage in community health and nutrition strategy; (ii) the development of a community health and nutrition strategy; and (iii) the implementation of essential health and nutrition actions, involving, and strengthening the capacities of, the decentralized agencies and civil society organizations; and
(5) Strengthening coordination, monitoring, evaluation, supervision and management of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain the following structure within the Recipient’s MOH with functions as set forth in paragraphs (a) through (e), at all times during the implementation of Part A of the Project:

(a) The National Health Development Plan Committee (Comité de Suivi du Plan National de Développement Sanitaire) shall provide overall policy guidance and oversight for the Plan. It shall be chaired by the Recipient’s Minister of Health and include representatives of other key ministries, donors, partners, and civil society. A technical secretariat (Secrétariat Technique au Plan National de Développement Sanitaire), within the Planning and Research Directorate (Direction des Etudes et de la Planification) of the MOH, shall provide technical support to the National Health Development Plan Committee.

(b) (i) The Steering Committee (Comité Directeur) established for the Recipient’s Health Development Support Program (Programme d’Appui au Développement Sanitaire) shall also oversee the Program funding mechanism. It is chaired by the Secretary General of the MOH, and includes directors of all major directorates in the MOH, representatives of donors involved in the financing of the Program, and of the World Health Organization.

(ii) For the purpose of component (4) of the Project, the Director of the Directorate in charge of nutrition, or its authorized representative for the purpose of such meeting, shall participate to the meeting of the Steering Committee.

(iii) In addition the Steering Committee will inform the CNCN on the progress made in the implementation of the nutrition activities included in the Project.

(c) The Project Management Unit (the “PADS MU”) established within the DEP shall manage the funds of the Financing, and be responsible for the fiduciary aspects of the Project, including the selection of the qualified NGOs referred to in (d)(ii) below, in accordance with the provisions of Section III of this Schedule.
(d) MOH shall consolidate the activities proposed to be carried out under the Project in Annual Work Programs and ensure technical supervision of the implementation of the activities through the MOH services posted at the regional, provincial, district and local levels.

(i) Each directorate within the MOH, the Recipient’s thirteen regions, health districts, regional and national hospitals, and other autonomous health research institutes, training schools, non-governmental organizations and private sector health providers, shall be actively involved in the implementation and supervision of the Project, through proposals of activities to be included in the Annual Work Programs and their implementation.

(ii) For the implementation of subcomponent (4), a team of experts within the DGS will be responsible for the definition of criteria satisfactory to the Association, which will be applied by the PADS MU for the selection of qualified NGOs at the provincial and district levels, to: (i) identify the most qualified CBIO to develop proposed activities for their inclusion in an Annual Work Program, and implement said activities; (ii) provide guidance and support to the CBIO, with the involvement of the local government; and (iii) facilitate the communication of information at district, provincial, regional, and central levels.

B. Project Manuals

1. (a) The Recipient shall carry out the Project in accordance with the provisions of the Health Project Implementation Manual and the Health Manual of Financial and Administrative Procedures.

(b) Unless the Recipient and the Association shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the Health Project Implementation Manual or the Health Manual of Financial and Administrative Procedures in a manner which, in the opinion of the Association, could have a material adverse impact on the implementation of the Project.

C. Anti-Corruption

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

(a) The Recipient shall ensure that the Project is implemented in accordance with the Medical Waste Management Plan.

(b) Except as the Association shall agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Medical Waste Management Plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than three months after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) At completion of the Project, the proportion of infants under six months exclusively breastfed in the past 24 hours has increased from 7% to 12%.

(ii) At completion of the Project, the proportion of women making two or more pre-natal consultations has increased from 62% to 75%.

(iii) At completion of the Project, at least 10% of the total population of rural children under two participates in monthly community based health and nutrition activities carried out under the Project.

(iv) At completion of the Project, the proportion of children under two with diarrhea receiving oral rehydration therapy conform to the IMCI Guidelines has increased from 42% to 55%.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than July 31, 2013.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. The Recipient shall prepare and furnish to the Association not later than three months after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Direct Contracting</td>
</tr>
<tr>
<td>(c) Limited International Bidding</td>
</tr>
<tr>
<td>(d) Shopping</td>
</tr>
<tr>
<td>(e) Community Participation</td>
</tr>
<tr>
<td>(f) Procurement from United Nations Agencies (*)</td>
</tr>
</tbody>
</table>

(*) provided that the Association and the United Nations Agencies have agreed on the implementation of their respective policies to fight fraud and corruption.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.
<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Consultants Qualifications</td>
</tr>
<tr>
<td>(d) Individual Consultants</td>
</tr>
<tr>
<td>(e) Selection of UN Agencies as Consultants(*)</td>
</tr>
<tr>
<td>(f) Single Source Selection</td>
</tr>
</tbody>
</table>

(*) provided that the Association and the United Nations Agencies have agreed on the implementation of their respective policies to fight fraud and corruption.

3. **Shortlist including national consultants only.** The shortlist for the selection of consultants for each contract for consultants’ services estimated to cost less than the equivalent of $100,000 may include national consultants only, pursuant to paragraph 2.7 of the Consultants Guidelines.

D. **Review by the Association of Procurement Decisions**

(1) Except as the Association shall otherwise determine by written notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

(a) each contract for goods estimated to cost the equivalent of $500,000 or more procured on the basis of International Competitive Bidding;

(b) each contract procured on the basis of Limited International Bidding;

(c) each contract for goods procured on the basis of Direct Contracting;

(d) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more;

(e) each contract for consultants’ services provided by an individual with respect to which the Procurement Plan approved by the Association provides for the Prior Review by the Association;
(f) each contract for consultants’ services provided by as determined in the Procurement Plan approved in writing by the Association; and

(g) each contract for consultants’ services procured on the basis of Single Source Selection.

(2) All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance such percentage of the Annual Work Program Expenditures as the Association may determine for each calendar year in its Annual Confirmation.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is January 31, 2013.
APPENDIX

Definitions

1. “Annual Confirmation” means the Association’s annual written confirmation of: (i) as the case may be, its approval of the Annual Work Program for such year, (ii) the percentage and amount of the Annual Work Program Expenditures which may be financed out of the proceeds of the Financing for the relevant Calendar Year; and (iii), as the case may be, the specific expenditures within such Annual Work Program, which may be financed out of the proceeds of the Financing or which are excluded from eligibility for financing out of the proceeds of the Financing.

2. “Annual Work Program” means the program of activities adopted each year by the Recipient for the implementation of the Program during the following calendar year.

3. “Annual Work Program Expenditures” means for a Calendar Year, eligible expenditures for works, goods and services, including Operating Costs and audits, included in an Annual Work Program for such Calendar Year, as determined in the Annual Confirmation for such Calendar Year.


5. “CBIO” means a Recipient’s community-based implementing organization, referred to in Paragraph A(d)(ii) of Section I of Schedule 2 to this Agreement.


8. “DEP” means the Recipient’s Directorate for planning and research (Direction des Etudes et de la Programmation) established within the MOH.
9. “DGS” means the Recipient’s General Directorate for Health established within the MOH.

10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).

11. “Health Manual of Financial and Administrative Procedures” means the Recipient’s manual containing financial, administrative and accounting procedures applicable to the implementation of the Program, as amended in accordance with Section 5.01(a), as such manual may be amended from time to time in agreement with the Association, and such term includes any schedule to the Health Manual of Financial and Administrative Procedures.

12. “Health Project Implementation Manual” means the guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Program, in the administrative, financial management, procurement, monitoring and evaluation areas, and other provisions related to the institutional organization, and the terms and conditions of the participation of donors in the financing of the Program, including for the approval of the Annual Work Programs, the Annual Confirmation, and their monitoring and evaluation activities, as amended in accordance with Section 5.01(a), as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Health Project Implementation Manual.


15. “MOH” means the Recipient’s ministry responsible for health.

17. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by the Recipient on account of the Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, per diem, but excluding the salaries of officials and public servants of the Recipient’s civil service.

18. “Original Financing Agreement” means the financing agreement for a Health Sector Support and Multi-Sectoral Aids Project between the Recipient and the Association, dated May 16, 2006 as amended to the date of this Agreement (Credit No. 4165-BUR).

19. “Original Project” means the project described in the Original Financing Agreement.

20. “PADS MU” means the management unit established by the Recipient within the DEP for the implementation of the Original Project.

21. “Plan” means the Recipient’s 10-year health strategy (Plan National de Développement Sanitaire-PNDS-2001-2010), adopted by the Counsel of Ministers on July 30, 2001, which identifies key priorities and program objectives for the health sector including: (i) increase geographic coverage of the health services; (ii) improve the quality of utilization of health services; (iii) strengthen the fight against communicable and non communicable diseases; (iv) reduce HIV transmission; (v) improve the quality and distribution of human resources in the health sector; (vi) increase financial accessibility for the population; (vii) increase health sector financing; and (viii) strengthen capacity in the health sector; as completed by the Medium Term Expenditure Framework (2005-2010).


23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 29, 2008 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

24. “Program” means the Recipient’s program to support the implementation of the Plan.
25. “Steering Committee” means the Recipient’s committee entitled Comité Directeur du Programme d’Appui au Développement Sanitaire established within its MOH for the implementation of its health development support program by decision (arrêté) no. 2004-271 of September 23, 2004.