Financing Agreement

(Livestock Sector Development Support Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 25, 2017
FINANCING AGREEMENT

AGREEMENT dated July 25, 2017, entered into between BURKINA FASO ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 credit in the amount of fifty-four million nine hundred thousand ($54,900,000), (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule I 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4) per annum.

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

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is 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 — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

4.02. 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 (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its minister at the time responsible for finance.

5.02. The Recipient’s Address is:

Minister of Economy, Finance and Development
Ministère de l’Economie, des Finance et du Développement
03 BP 7050
Ouagadougou 03
Burkina Faso

Telex: Facsimile:
5555 226-25-31-27-15
5.03. The Association's Address is:

International Development Association

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

Telex: Facsimile:

248423 (MCI) 1-202-477-6391

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

BURKINA FASO

By

[Signature]

Authorized Representative

Name: Hadizatu Rosine Coulibaly Sou

Title: Minister of Economy, Finance, and Development

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Cheick Fantamady Kante

Title: Country Manager for Burkina Faso
SCHEDULE 1

Project Description

The objectives of the Project are to enhance productivity and commercialization of non-pastoral animal production in Selected Value Chains, and strengthen the country’s capacity to respond to severe crises affecting the livestock sector, and to provide immediate and effective response in the event of an Eligible Crisis or Emergency.

The Project consists of the following parts:

**Part A: Improved access to services and inputs, by:**

1. Improving livestock producers access to animal health services, by:
   
   (a) conducting studies on disease prevalence through the LNE;
   
   (b) rehabilitating one of LNE’s regional laboratories (Bobo-Dioulasso) to deconcentrate some of the LNE’s activities currently being carried out in Ouagadougou to said regional laboratory.
   
   (c) strengthening LNE capacities to assess and advise on antimicrobial-resistance and drugs residues.
   
   (d) providing technical assistance to the DGSV to develop animal disease control strategies prioritizing foot and mouth disease, new castle disease and fowlpox and disseminate along with updated sheep and goat plague (peste des petits ruminants) and contagious bovine pleuropneumonia control strategies to field veterinarians.
   
   (e) carrying out vaccination programs to reduce livestock mortality and other losses caused by animal diseases, such as foot and mouth disease in cattle, fowlpox in poultry, sheep and goat plague (peste des petits ruminants) and contagious bovine pleuropneumonia through vaccines and related medical and cold chain equipment;
   
   (f) carrying out mass communication and information campaigns for such vaccination programs; and
   
   (g) strengthening of national veterinary services, specifically of surveillance systems to ensure early reporting, notification and effective response to disease outbreaks, with particular focus on African swine fever, highly pathogenic avian influenza and foot and mouth disease.

2. Improving livestock producer’s access to quality inputs in order to raise better livestock, by:
(a) Improving animal nutrition through:

(i) developing and disseminating animal nutrition guidelines for feed producers in the Selected Value Chains;

(ii) strengthening animal feed quality control by developing feed quality standards in the Selected Value Chains; and

(iii) facilitating the production and distribution of certified and improved forage seeds;

(b) Improving animal genetics through:

(i) contributing to the implementation of the national genetic improvement strategy by distributing high performance breeding animals to selected farmers;

(ii) improving artificial insemination services by upgrading the facilities and equipment of the Center for Multiplication of Improved Animal Breeds;

(iii) developing and implementing the regulatory and institutional framework for animal genetic management; and

(iv) improving production of sustainable fish ponds through procurement of improved fingerlings through supervision of DGRH.

3. Strengthening institutions of the Recipient that regulate livestock production and commercialization by:

(a) strengthening MRAH capacity through immediate and long-term development of technical and organizational human resources to enhance policy analysis, monitoring and evaluation, and project coordination;

(b) developing and disseminating technical and economic guidelines for Selected Value Chains; provision of training to livestock producers in new farming techniques and technologies; training of students at veterinarian schools as well as providing specialized training for MRAH’s staff; preparing and promoting quality standards and labels for livestock products and supporting awareness campaigns for local animal products; rehabilitating market infrastructures and veterinary stations;

(c) supporting the establishment of a central procurement unit of veterinary medicines ("CAMVET") to fight counterfeit veterinary drugs through the
financing of a central building for CAMVET, storage rooms and related equipment;

(d) strengthening MRAH’s functional and operational capacity; and

(e) rehabilitating livestock infrastructure such as veterinary posts and fish and livestock markets.

Part B: Livestock value chain development

1. Enhancing the investment climate in the livestock sector by:

   (a) disseminating information about the Project activities that relate to Productive Alliances and supporting the creation of productive alliances through the development and dissemination of information and communication materials through media, meetings and workshops;

   (b) carrying out various studies on Selected Value Chains and potential alliances of organizations and individuals involved in livestock production and commercialization including, *inter alia*, value chain assessments of supply and demand, strategic mapping of participants in value chains, market and technical studies, market tests for new products, and identification of business opportunities;

   (c) facilitating business exchanges and dialogue between livestock value chains participants through a national dialog platform, value chain and product roundtable meetings, knowledge exchange meetings and supply tours, capacity building and institutional strengthening of inter-professional entities with the objective to create strategic economic partnerships among Selected Value Chain actors that share similar vision and investment plans, support the preparation of strategic economic partnership business plans and provide implementation support for said plans;

   (d) promoting livestock products through: support to the national livestock fair; participation in international livestock and trade fairs, and supporting certification and compliance with international trade regulations processes for specific products;

   (e) increasing access to financial services through:

      (i) conducting preparatory activities, such as, the carrying out of studies on supply and demand of financial services for livestock producers, identification of potential PFIs for the activities under Part B.2 of the Project, and provision of technical assistance for
the signing of multiyear memorandum of understandings among the members of Productive Alliances; and

(ii) providing technical assistance to improve PFI capacity to carry out credit and risk analysis; develop financial products tailored to livestock investors; establish best practices for credit delivery and monitoring; and strengthening the environmental, social and climate risk assessment capacity of the PFIs in the appraisal of financing products for Productive Alliances and Individual Beneficiaries.

2. Supporting Productive Alliances and Individual Beneficiaries by:

(a) providing technical assistance, workshops, and studies to support the selection, preparation, appraisal and monitoring of investment Sub-Projects (Productive Alliances Sub-Projects and Micro Sub-Projects);

(b) financing of Productive Alliances Sub-Projects through the provision of PA Matching Grants to increase the productivity, production, competitiveness and commercialization of livestock products; and

(c) financing of Micro Sub-Projects through the provision of Micro Matching Grants to improve productivity, production, competitiveness and commercialization of applicable livestock produce.

**Part C: Crisis management and Project coordination**

1. Provision of technical assistance to improve the capacity of the Recipient for crisis management by:

(a) support to SPCVEL; and

(b) development of crisis management tools.

2. Contingent emergency response through the provision of immediate response to an Eligible Crisis or Emergency, as needed.

3. Providing support to the Recipient to coordinate and implement the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest MRAH with the responsibility of implementing the overall Project and providing oversight on all national level activities. To that end, the Recipient shall cause MRAH to:

   (a) maintain a PCU, with terms of reference and staffing satisfactory to the Association, to be specifically responsible for: (i) Project management, including monitoring and evaluation, financial management of funds and procurement; (ii) preparing national Project progress reports; and (iii) communication;

   (b) not later than six (6) months after the Effective Date, provide equipment for the DMP meeting room to allow for bid opening sessions;

   (c) not later than three (3) months after the Effective Date, provide training, in substance and amount satisfactory to the Association, to the Project’s procurement specialist, relevant procurement staff of DMP and DMP tender committee members in the Association’s Procurement Regulations;

   (d) not later than three (3) months after the Effective Date, hire a financial comptroller, an accountant and an assistant accountant with qualifications, experience and to work under terms of reference acceptable to the Association; and

   (e) not later than three (3) months after the Effective Date, adopt the Project Implementation Manual including updated administrative, financial, accounting and procurement procedures.

2. National Steering Committee

   (a) The Recipient shall maintain, through the Project period, the National Steering Committee, with attributions, composition and resources satisfactory the Association, to provide strategic guidance and policy guidance for the Project as well as the PRAPS-BF Project and to resolve inter-ministerial and other policy issues that may arise under the Project.

   (b) Further to the provisions of paragraph (a) of this Section I.A.2, the National Steering Committee shall be chaired by the national secretary of the MRAH and comprised of relevant Project representatives from the
3. **Technical Committee**

(a) The Recipient shall maintain, throughout the Project period, the Technical Committee, with attributions, composition and resources satisfactory to the Association, to monitor project implementation for the Project;

(b) Further to the provisions of paragraph (a) of this Section I.A.3, the Technical Committee shall be chaired by the National Coordinator and comprised, *inter alia*, of representatives from relevant technical stakeholders of the Project; and shall meet at least once each Project quarter.

4. **National Coordinator**

The Recipient shall maintain, throughout the Project period, a national coordinator as head of the PCU with qualifications and experience and working under terms of reference satisfactory to the Association and who shall be provided with resources adequate, as per the views of the Association, to carry out Project activities, and coordinate Project activities with PRAPS-BF project activities.

5. **Project Implementation Manual**

(a) The Recipient shall prepare, and thereafter implement the Project in accordance with, an implementation manual for the Project, acceptable to the Association which shall contain, *inter alia*, detailed descriptions on: (i) institutional administration, coordination and day to day execution of Project activities; (ii) capacity building activities for sustained achievement of the Project’s objectives, to include an acceptable filing system within the PCU and DMP; (iii) methods and criteria for the selection of activities to be carried out under the Project, to include procedures for calling for bids, selecting consultants and awarding contracts; (iv) financial management and disbursement; (v) procurement; (vi) monitoring and evaluation, reporting, information, education and communication of Project activities; and (vii) an elaboration of Sub-Project eligibility criteria and terms and conditions, and procedures for preparation, selection, approval and monitoring and evaluation for PA Matching Grants under Part B(2)(b) of the Project and for Micro Matching Grants under Part B(2)(c) of the Project, all of which shall be consistent with the provisions listed under Section 1.C and Section 1.D of Schedule 2 to this Agreement; and elaboration of the procedures for developing and implementing Safeguard Documents.
(b) The Recipient shall: (i) furnish such manual to the Association for review and approval; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on said manual; and (iii) thereafter ensure that MRAH adopts such Project implementation manual as shall have been approved by the Association (“Project Implementation Manual”).

(c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual, and shall not amend or waive any of its provisions without the prior written agreement of the Association.

(d) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of the Financing Agreement, the provisions of the Financing Agreement shall prevail.

6. Annual Work Programs and Budget

(a) The Recipient, through the PCU, shall not later than December 15 in each calendar year during Project implementation, prepare and furnish to the Association, a National Steering Committee approved program of activities proposed for inclusion in the Project during the following calendar year, which includes detailed disbursement forecasts and budgets (“Annual World Program and Budget”).

(b) The Recipient shall exchange views with and seek approval of the Association on each such proposed annual work program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association.

(c) The Recipient shall only carry out the activities included in an Annual Work Program and Budget as said Annual Work Program and Budget may be amended from time to time to include new activities with the prior and written concurrence of the Association.

B. PA Sub-projects

1. The Recipient shall make PA Matching Grants to Productive Alliances for PA Sub-Projects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include the following:

(a) No proposed PA Sub-Project shall be eligible for financing under a PA Matching Grant to a Productive Alliance unless the Recipient shall have determined on the basis of an appraisal carried out in accordance with
guidelines acceptable to the Association and elaborated in the Project Implementation Manual, that:

(i) the proposed PA Sub-Project: (A) is designed to enhance productive partnerships between the stakeholders and increase productivity, production, competitiveness and commercialization of applicable livestock produce through the financing of technical assistance, goods, services, training and operating costs required for the PA Sub-Project; (B) is technically feasible and economically and financially viable; and (C) if, pursuant to the Safeguard Documents, one or more plans for the PA Sub-Project are required, such plans have been prepared and approved by the Recipient in accordance with the provisions of the Safeguard Documents; and

(ii) the proposed PA Beneficiary: (A) is a natural person or legal entity established and operating under the laws of the Recipient with the organization, management, technical capacity and financial resources necessary to carry out the proposed PA Sub-Project; (B) has prepared a satisfactory business plan, including financing plan and budget, and a satisfactory implementation plan for the proposed PA Sub-Project; and (C) has demonstrated the capacity, and has committed, to finance or has obtained financing from commercial banks of at least 30% of the total estimated cost of the PA Sub-Project out of its own resources.

(b) (i) The maximum amount of all PA Matching Grants to a single PA Beneficiary shall not exceed FCFA 250,000,000; and (ii) each PA Matching Grant for a PA Sub-Project shall neither exceed FCFA 250,000,000 nor shall it exceed 60% of the total estimated cost of the PA Sub-Project.

(c) Each PA Matching Grant for a PA Sub-Project requiring a safeguard plan as per the Safeguard Documents shall be subject to the Association’s prior written approval and shall only be eligible for financing under the Financing if and to the extent approved by Association.

2. The Recipient shall make each PA Matching Grant under a PA Matching Grant Agreement with the respective PA Beneficiary on terms and conditions approved by the Association, which shall include the following:

(a) The PA Matching Grant shall be made on a non-reimbursable grant basis.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
(i) suspend or terminate the right of the PA Beneficiary to use the proceeds of the PA Matching Grant, or obtain a refund of all or any part of the amount of the PA Matching Grant then withdrawn, upon the PA Beneficiary's failure to perform any of its obligations under the PA Matching Grant Agreement; and

(ii) require each PA Beneficiary to:

(A) carry out its PA 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 Safeguard Documents (and any plan required for the PA Sub-Project pursuant to the Safeguard Documents), 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 PA Matching Grant in accordance with the provisions of Section III of this Schedule;

(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 PA 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 its operations, including the operations, resources and expenditures related to the PA Sub-Project; and (2) at the Association's or the Recipient'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 and the Association, and permit the Association to make such statements as so audited.
available to the public, along with the PA Matching Grant Agreement;

(F) enable the Recipient and the Association to inspect the PA Sub-Project, its operation and any relevant records and documents; and

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

3. The Recipient shall exercise its rights and carry out its obligations under each PA Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any PA Matching Grant Agreement or any of its provisions.

C. Micro Sub-projects

1. The Recipient shall make Micro Matching Grants to Individual Beneficiaries to finance Micro Sub-Projects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include the following:

(a) No proposed Micro Sub-Project shall be eligible for financing under a Micro Matching Grant to an Individual Beneficiary unless the Recipient shall have determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association and elaborated in the Project Implementation Manual, that:

(i) the proposed Micro Sub-Project: (A) is designed to improve the productivity, production, competitiveness and commercialization of applicable livestock produce through the financing of technical assistance, goods, services, training and operating costs required for the Micro Sub-Project; (B) is technically feasible and economically and financially viable; and (C) if, pursuant to the Safeguard Documents, one or more plans for the Micro Sub-Project are required, such plans have been prepared and approved by the Recipient in accordance with the provisions of the Safeguard Documents; and

(ii) the proposed Individual Beneficiary: (A) is a natural person or legal entity established and operating under the laws of the Recipient with the technical capacity and financial resources...
necessary to carry out the proposed Micro Sub-Project; (B) has prepared a satisfactory business proposal, including financing plan and budget, and a satisfactory implementation plan for the proposed Micro Sub-Project; and (C) has demonstrated the capacity, and has committed, to finance at least 30% of the total estimated cost of the Micro Sub-Project out of its own resources or financing from form the commercial banks or financial institutions.

(b) The maximum amount: (i) of all Micro Matching Grants to a single Individual Beneficiary shall not exceed FCFA 3,000,000 and (ii) of each Micro Matching Grant for a Micro Sub-Project shall not exceed the lesser of: (A) the equivalent of FCFA 3,000,000; and (B) 70% of the total estimated cost of the Micro Sub-Project if the Individual Beneficiary is a woman, or a legal entity with a majority of female partners (or equal amount of female and male partners) or 60% of the total estimated cost of the Micro Sub-Project if the Individual Beneficiary is a man or a legal entity with a majority of male partners.

2. The Recipient shall make each Micro Matching Grant under a Micro Matching Grant Agreement with the respective Individual Beneficiary on terms and conditions approved by the Association, which shall include the following:

(a) The Micro Matching Grant shall be made on a non-reimbursable grant basis.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Individual Beneficiary to use the proceeds of the Micro Matching Grant, or obtain a refund of all or any part of the amount of the Micro Matching Grant then withdrawn, upon the Individual Beneficiary's failure to perform any of its obligations under the Micro Matching Grant Agreement; and

(ii) require each Individual Beneficiary to:

(A) carry out its Micro 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 Safeguard Documents, 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) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Micro Sub-Project and the achievement of its objectives;

(D) enable the Recipient and the Association to inspect the Micro Sub-Project, its operation and any relevant records and documents; and

(E) prepare and furnish to the Recipient, for the Recipient to furnish to the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights and carry out its obligations under each Micro Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Micro Matching Grant Agreement or any of its provisions.

D. Anti-Corruption

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

E. Safeguards

1. The Recipient shall take, and cause MRAH to take, all necessary measures to ensure that the Project shall be implemented in accordance with the ESMF and RPF.

2. Except as the Association shall otherwise agree in writing, the Recipient shall ensure, and cause to ensure, that none of the provisions of the ESMF and RPF shall be abrogated, amended, repealed, suspended or waived.

3. Without limitation upon its other reporting obligations under Section II.A of this Schedule 2, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the Association, as part of the Project Reports, and
promptly in a separate report whenever the circumstances warrant, information on the status of compliance with the Safeguard Instruments, providing details of:

(a) the measures taken in furtherance of the Safeguard Instruments;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments;
(c) remedial measures taken or required to be taken to address such conditions.

4. The Recipient shall, and shall cause MRAH to:

(a) ensure that any technical assistance financed under the Project is carried out under terms of reference satisfactory to the Association following its review thereof and, to that end, said technical assistance shall duly incorporate the requirements of the Association’s Safeguard Policies and be publicly disclosed and consulted upon in accordance with the Association’s Safeguard Policies; and

(b) ensure that any capacity building activities under the Project are consistent with, and pay due attention to, the Association’s Safeguard Policies.

F Contingent Emergency Response Component arrangements for Part C(2) of the Project

1. In order to ensure the proper implementation of Part C(2) of the Project (“CERC Part”), the Recipient shall:

(a) no later than six (6) months after project effectiveness, prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of terms of reference for, and resources to be allocated to the entity to be responsible for coordinating and implementing the CERC Part (“Coordinating Authority”); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for the CERC Part; (v) documentation requirements for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC Part, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;

(b) afford the Association a reasonable opportunity to review said proposed operations manual;
(c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Association ("CERC Operations Manual");

(d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail;

(e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval of the Association.

2. The Recipient shall, through the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
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. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, 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, commencing with the fiscal year in which the first withdrawal was made. 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.

4. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement, the PCU shall no later than six (6) months after the Effective Date, appoint an external auditor with qualifications, experience and terms of reference acceptable to the Association.

Section III. Procurement

A. General

All goods, works, non-consulting services and consulting 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 the Procurement Regulations and the provisions of the Procurement Plan.

B. Procurement of Emergency Expenditures under the CERC Part of the Project

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for the CERC Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERC Operations Manual.
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 Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services and Trainings for Part A, Part B(1), Part C(1) and Part C(3) of the Project (excluding Part C(2) for CERC Part).</td>
<td>€35,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) PA Sub-Projects and Micro Sub-projects financed out of the proceeds of PA Matching Grants under Part B(2)(b) of the Project and Micro Matching Grants under Part B(2)(c) of the Project, respectively</td>
<td>€18,000,000</td>
<td>100% of amounts paid under PA Matching Grants and Micro Matching Grants for expenditures required for the relevant PA Sub-Project or Micro Sub-Project.</td>
</tr>
</tbody>
</table>
(3) CERC Part under Part C(2) of the Project.

<table>
<thead>
<tr>
<th></th>
<th>€1,400,000</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AMOUNT</td>
<td>€54,900,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed €450,000 (Euros four hundred fifty thousand) may be made for payments made prior to this date but on or after July 26, 2016, for Eligible Expenditures under Category (1); and

(b) Under Category (3), for Emergency Expenditures under Part C(2) of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

(i) The Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.E and Section III.B of Schedule 2 to this Agreement, for the purposes of such activities;

(iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.E and Section III.B of Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted a CERC Operations Manual in form and substance acceptable to the Association and the provisions of the CERC Operations Manual remain, or have been updated in
accordance with the provisions of Section I.E and Section III.B of Schedule 2 to this Agreement to be appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is July 20, 2022.
**SCHEDULE 3**

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1, commencing October 1, 2023 to and including April 1, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Definitions


2. "Annual Work Program and Budget" and "AWPB" means the annual work program and budget to be prepared by the PCU and approved by the National Steering Committee.

3. "Basis Adjustment to the Service Charge" means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

4. "CAMVET" means the Recipient’s Central Procurement Unit of Veterinary Medicines (Central d’Achat des Medicaments Vétérinaires), or any successor thereto acceptable to the Association.

5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. "Center for Multiplication of Improved Animal Breeds" or "CMAP" means the Recipient’s national center for multiplication of improved animal breeds (Centre National de Multiplication des Animaux Performants), or any successor thereto acceptable to the Association.

7. "CERC Operations Manual" or "CERC-OM" means the operations manual referred to in Section I.E. of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section, as said manual may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

8. "CERC Part" means Part C(2) of the Project.

9. "Coordinating Authority" means MRAH or any other Recipient agency satisfactory to the Association.

10. "DGRH" means the Recipient’s Directorate of Fisheries, part of MRAH, or any successor thereto acceptable to the Association.
11. “DGPA” means the General Directorate of Animal Productions (Direction Générale des Productions Animales), or any successor thereto acceptable to the Association.

12. “DMP” means the Recipient’s Directorate of Public Procurement (Direction des Marchés Publics), or any successor thereto acceptable to the Association.

13. “DGSV” means the Recipient’s General Directorate for Veterinarian Services (Direction Générale des Services Vétérinaires), or any successor thereto acceptable to the Association.

14. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

15. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the CERC Operations Manual in accordance with the provisions of Section I.X of Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.


19. “Individual Beneficiary” means a natural or legal person who is a livestock producer and to whom the PCU has extended a Micro Matching Grant under a Micro Matching Grant Agreement for a Micro Sub-project.

20. “LNE” means the Recipient’s national livestock laboratory (Laboratoire National de l’Elevage), or any successor thereto acceptable to the Association.

21. “Micro Matching Grant” means a grant made or to be made by the PCU out of the proceeds of the Financing to an Individual Producer for a Micro Sub-Project.

22. “Micro Matching Grant Agreement” means an agreement between the PCU and a Productive Alliance providing for a Micro Matching Grant.
23. "Micro Sub-Project" means a specific development project under Part 2(2)(c) of the Project to be carried out by Individual Beneficiary utilizing the proceeds of a Micro Matching Grant.

24. "MRAH" means the Recipient’s Ministry of Animal and Fisheries Resources (Ministère des Ressources Animales et Halieutiques), or any successor thereto acceptable to the Association.

25. "National Steering Committee" means the steering committee (Comité de Pilotage) shared with PRAPS-BF, which is chaired by the Secretary General of MRAH and includes representatives from MRAH, the Ministry of Economics and Finance, Ministry of Environment, Ministry of Agriculture, Ministry of Territorial administration, decentralization and internal security, and various local and regional authorities, representatives from relevant livestock sector programs and projects, organizations such as inter-professional bodies, and major non-government organizations relevant to the livestock sector.

26. "NGOs" means non-governmental organizations.

27. "PA Beneficiary" means a natural person or legal entity which represents a productive alliance of livestock business partners, livestock producer organizations or livestock product traders to which the PCU has extended a Matching Grant under a Matching Grant Agreement for a Sub-project.

28. "PA Matching Grant" means a grant made or to be made by the PCU out of the proceeds of the Financing to a Productive Alliance for a PA Sub-Project.

29. "PA Matching Grant Agreement" means an agreement between the PCU and a Productive Alliance providing for a PA Matching Grant.

30. "PA Sub-Project" or "Productive Alliance Sub-Project" means a specific development project under Part 2(2)(b) of the Project to be carried out by a PA Beneficiary utilizing the proceeds of a PA Matching Grant.

31. "Partner Financing Institutions" or "PFI(s)" include commercial banks, large microfinance institutions networks; national development funds such as the Burkinabe Fund for Economic and Social development ("FBES"), the Livestock Development Fund ("FODEL"), and the Small and Medium Scale Financing and Promotion Agency ("AFP/PME") and non-banking financing institutions such as leasing companies and risk funds.

32. "PRAPS-BF" means the Regional Project for Support to Pastoralism in the Sahel for Burkina Faso (Projet Régional d‘Appui au Pastoralisme au Sahel pour le Burkina Faso) (Credit No. 5649-BF), signed between the Recipient and the Association on July 2, 2015.
33. “Procurement Plan” means the Recipient’s procurement plan for the Project, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


35. “Productive Alliances” means groups of organized producers and other stakeholders such as input suppliers, collectors/buyers, processors, transporters, agro-processors and animal breeders who participate in either upstream or downstream production of the Selected Value Chains and who have collectively developed joint business plans for their Selected Value Chain.

36. “Project Coordination Unit” and “PCU” means the Project coordination unit to be created within MRAH.

37. “Project Implementing Manual” means the manual for the Project to be prepared and adopted in accordance with the provisions of Section I.A.5 of Schedule 2 to this Agreement.

38. “RPF” means the Recipient’s resettlement policy framework for the Project, as set forth in the document entitled “Cadre de politique de reinstallation des populations,” and disclosed in country on February 9, 2017 and Infoshop on March 1, 2017.

39. “Safeguard Documents” means collectively the ESMF and the RPF.

40. “Safeguard Instruments” means the Safeguard Documents and any safeguard plan developed for any Part of the Project pursuant to said Safeguard Documents.

41. “Safeguard Policies” means, to the extent that they are applicable to the Project activities, the operational policies and procedures OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.07 (Water Resources Management), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams) contained in the Bank’s Operational Manual which can be found on the Bank’s website at .”

42. “Selected Value Chains” means cattle and small ruminants (meat), poultry (meat and eggs), milk, hog, aquaculture and beekeeping value chains or any other value chains as the Recipient and the Association may agree in writing from time to time.

43. “SPCVEL” means the Permanent Secretariat for Livestock Crises and Vulnerabilities (Secrétariat Permanent en charge de la gestion des Crises et Vulnérabilités en Elevage), a position within MRAH that covers all crises of the
livestock sector, to include sanitary, natural disaster, and market crises, created by Article 20 of the Recipient’s Decree No. 2016-298/PRES/PM/MRAH, dated April 29, 2016.

44. “Training” means the reasonable costs for expenditures incurred in training of persons involved in Project-supported activities, such as seminars, workshops, and study tours, and costs associated with such activity such as travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

45. “Technical Committee” means the monitoring body for Project implementation, which is chaired by the Project national coordinator with representative members from relevant implementing agencies (the SP of the CVE, DGSV, DGEAP, DGPA), representatives from relevant livestock sector organizations and programs, scientific researchers and other contractual service providers.