March 11, 2011

H.E. Lucien Marie Noel Bembamba
Minister of Economy and Finance
Ministry of Economy and Finance
03 B.P. 7008
Ouagadougou 03
Burkina Faso

Re: Burkina Faso: Advance Agreement for the Preparation of the
Proposed Burkina Faso Project under the West Africa Regional
Communications Infrastructure Program
Project Preparation Advance No. Q761-BF

Excellency:

In response to the request for financial assistance made on behalf of Burkina Faso (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed one million United States Dollars ($1,000,000) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project aimed to put in place an integrated approach focusing on improving connectivity in the West-Africa region by addressing the missing infrastructure links, providing competitive access to sub-marine cables where opportunity exists, commercializing excess capacity where electricity transmission lines and other alternative networks are the appropriate platform, and creating an enabling environment and institutional strengthening to remove existing bottlenecks for private sector participation in both regional infrastructure and applications (“Project”), for the carrying out of which the Recipient has requested the World Bank’s financial assistance. The Project constitutes part of the first phase of a program designed to support populations, businesses and governments across the West Africa region to have access to quality and affordable information and communication technology services on open, transparent and non-discriminatory terms (“West Africa Regional Communications Infrastructure Program” or “Program”).

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date specified by the World Bank in accordance with Section 5.02 of the Annex to this Agreement.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/Yusupha B. Crookes
Director, Regional Integration
Africa Region

AGREED:
BURKINA FASO

By /s/ Lucien Marie Noel Bembamba
Title: Ministre de l’Economie et des Finances
Date: April 1, 2011

Enclosures:

(1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006.
1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility” dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement and “MEBF” or “Maison de L'entreprise du Burkina Faso” means the private non-profit organization established in the Recipient’s territory on September 10, 2002, and operating pursuant to the Recipient’s Law No. 10-92 ADP (recognized by receipt no. 2002-557/MATD/SG/DGAT dated December 27, 2002) with the objective of allowing the businessmen to accede in one single place to a supply of structured services tailored to them and ensuring a better synergy of actions between the donors and the support organizations.

**Article II**

**Execution of the Activities**

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following preparatory activities aimed to ensure the Recipient has access to improved international connectivity:

1. **Support to optimize the governance, ownership and financing issues related to the operation of the virtual landing point and management of the bandwidth emanating from the international connectivity**

   Development of a suitable structure for the establishment of a virtual landing point (“VLP”), through the provision of technical assistance required for: (i) carrying out a detailed analysis cost and developing the business case; (ii) carrying out an assessment of the regulatory implications of the VLP and the international connectivity; (iii) finalizing the ownership and management arrangements for the VLP and the international connectivity; (iv) designing and negotiating instruments, contracts and related stakeholders agreements; and (v) defining appropriate risk sharing and commensurate financial rewards and penalties between parties.

2. **Broadband policy and strategy**

   Development of a policy to promote broadband use in the Recipient’s territory and an action plan thereon; all through the provision of technical assistance.
3. **Environmental studies**

Preparation, consultation and disclosure of an environmental and social management framework and a resettlement policy framework for the Project.

4. **Assessment of the legal and regulatory enabling environment**

Carrying out of an analysis of the legal and regulatory enabling environment necessary to support the Project activities and objectives, including a review and analysis of the sector laws, regulations and licenses, competition, privatization and private-public partnership legislation.

5. **Implementation support**

Strengthening of the Recipient’s implementation capacity to carry out the Project through the setting up of an implementation unit and the recruitment of technical and support staff, all through the provision of goods and technical assistance required for the purpose.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, until a dedicated implementation unit has been established for the Project and is functional in a manner satisfactory to the World Bank, the Recipient shall cause the Project to be carried out by the **Maison de L'entreprise du Burkina Faso** (“Project Implementing Entity”) in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) this Article II; and (iii) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.

2.03. **Institutional and Other Arrangements.**

The Recipient shall make the proceeds of the Advance available to the **Maison de L'entreprise du Burkina Faso** under a subsidiary grant agreement, in form and substance satisfactory to the World Bank, to be entered into between the Recipient and MEBF (“Subsidiary Grant Agreement”). The Subsidiary Grant Agreement shall describe the implementation arrangements referred to in the following Section 2.04.

2.04 **Subsidiary Grant Agreement.** (a) The Recipient shall ensure that the Subsidiary Grant Agreement shall include, at all times during the implementation of the Activities, provisions to the following effect:

(i) the Recipient’s obligation to provide the proceeds of the Advance to MEBF on terms and conditions satisfactory to the World Bank;

(ii) MEFB’s obligation to carry out the Activities with due diligence and efficiency, in conformity with appropriate administrative, technical, environmental and social practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement;
(iii) MEBF’s obligation to procure the goods, non-consulting services and consultants’ services required for the Activities and to be financed out of the proceeds of the Advance, in accordance with the provisions of Section 2.07 of this Annex;

(iv) MEBF’s obligation to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Activities and the performance of its obligations under the Subsidiary Grant Agreement; and

(v) MEBF’s obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Grant Agreement.

(b) The Subsidiary Grant Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Grant Agreement and this Agreement, the latter shall prevail.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.07. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines for Procurement of Goods and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping; (B) National Competitive Bidding; and (C) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

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

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection; and (C) Selection of Individual Consultants.
(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated 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 Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Non-consulting services, Training, Operating Costs, and Consultants’ Services for the Activities</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this section:

(a) the term “Operating Costs” means the reasonable cost of the following expenditures incurred under the Activities: (i) salaries of Project staff (excluding civil servants); (ii) per diem and travel expenses of staff required to perform their responsibilities under the Activities; (iii) fuel, and vehicle maintenance and insurance services; (iv) communication technology (including, without limitation, internet and telephone service); (v) rent for office space and building security and office maintenance services; (vi) translation services, photocopies and publications; and (vii) utilities and office supplies; and

(b) the term “Training” means the reasonable cost of the following expenditures incurred for training and workshops provided under the Activities: (i) transportation costs and per diem of trainers and trainees, (ii) rental of training facilities; and (iii) training materials.
3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is August 30, 2011.

**Article IV**  
**Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V**  
**Effectiveness; Termination**

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

   (a) The Subsidiary Agreement referred to in Section 2.03 of this Annex has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. **Termination for Failure to Become Effective.** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient’s Representative; Addresses

6.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

6.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Economy and Finance
03 B.P. 7008
Ouagadougou 03
Burkina Faso

Cable: SEEGOUV
Telex: 5555
Facsimile: 226 50 31 27 15

6.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

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

Cable: INDEVAS
Telex: 248423 (MCI) or 1-202-477-6391
Facsimile: 64145 (MCI)