Financing Agreement
(Additional Financing for the Bagré Growth Pole Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in the amount equivalent to fifty million Euros ($41,800,000) (variously, "Credit" and "Financing"), to assist in the financing of 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 is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is 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plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are April 1 and October 1 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 cause (a) Bagrépôle to carry out its Respective Part of the Project; and (b) Burkina Faso Business Association (“BFBA”) to carry out its Respective Part of the Project; all in accordance with the provisions of Article V of the General Conditions and the Project Agreements.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) Either one of the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Project Implementing Entity concerned to perform any of its obligations under its Project Agreement; and

(b) Any of the parties to a Subsidiary Agreement, the Safeguard Implementation Agreement, or the New Bagré Dam Management Agreement has failed to perform any of its obligations under said agreement.

4.02. The Additional Event of Acceleration consists of the following, namely that either of the events specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreements have been executed on behalf of the Recipient and each respective Project Implementing Entity in accordance with the provisions of Section I.B of Schedule 2 to this Agreement, and the Safeguard Implementation Agreement has been executed on behalf of the parties thereto, in accordance with the provision of Section I.E.3 of Schedule 2 to this Agreement; and

(b) The Recipient has adopted the updated Project Implementation Manual in accordance with the provisions of Section I.A.(2) of Schedule 2 to this Agreement.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreements have been duly authorized or ratified by all parties to said agreements, and are legally binding upon said parties in accordance with their respective terms.
5.03. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

5.04. For purposes of Section 10.05(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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the minister responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Economy, Finances and Development
Ministère de l’Économie, des Finances et du Développement
03 BP 7050
Ouagadougou 03
Burkina Faso; and

(b) the Recipient’s Electronic Address is:

Telex: Facsimile: E-mail:
5555 +226-25-33-30-95 cab_mef@yahoo.fr

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s Address is:

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

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

BURKINA FASO

By

[Signature]

Authorized Representative

Name: Hadjigo Ariane Coulibaly Sori
Title: Minister of Economy, Finance and Development
Date: May 11, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Cheick F. Hante
Title: Country Manager
Date: May 11, 2018
SCHEDULE 1

Project Description

The objective of the Project is to increase private investment, employment generation, and agricultural production in the Project Area.

The Project consists of the following activities (activities added through this Additional Financing appear in bold):

Part A: Improved Institutional Capacity

1. **Restructured BDA/Bagrepôle.**

   Strengthening and restructuring of the BDA/Bagrepôle in order to establish an effective and efficient authority for the development and management of the Project Area, through:

   (a) carrying out of a study to design an optimal institutional structure for BDA/Bagrepôle, including staffing and business plans for BDA/Bagrepôle;

   (b) carrying out of an inventory of government assets in the Project Area and development of a strategy for the transfer of ownership and management of such assets to BDA/Bagrepôle;

   (c) preparation of a legislative framework and related model forms of public-private partnership agreements to be used by BDA/Bagrepôle, all as necessary for the effective implementation of its mandate;

   (d) establishment and operationalization of a Project management team for Bagrepôle;

   (e) strengthening of BDA/Bagrepôle's business planning capacity through the provision of technical assistance;

   (f) development of a system designed to monitor and evaluate the investments in the Project Area;

   (g) development and implementation of an effective communications and consultation strategy for BDA/Bagrepôle's operations; and

   (h) provision of equipment, furniture, vehicles and Training required for the above.
2. Improved Investment Climate.

(a) Carrying out of a program to improve the capacity of BDA/Bagrepôle to ensure the efficient and effective: (i) spatial planning, design, and oversight of the construction of infrastructure in the Project Area; (ii) investment promotion in the Project Area, including investor follow-up and marketing; (iii) operation and maintenance of the Project Area infrastructure (including irrigation systems, roads, and utilities); and (iv) delivery of irrigation water and other critical services to investors in the Project Area; all through the engagement of one or more private operators.

(b) Carrying out of a program to enhance the capacity of the Burkina Faso Business Association ("BFBA") to provide business development services and facilitate private investment in the Project Area, through: (i) the simplification and streamlining of procedures for registration of enterprises and delivery of building permits as well as of business services and training; (ii) the installation of a network designed to improve BFBA's information technology platform, and its processes for business registration and licensing; (iii) investment promotion capacity building, including investor marketing, follow-up and after care; and (iv) construction and equipping of a field office and one-stop shop for business regulation and other investment facilitation for BFBA.

(c) Development and introduction of an environmentally and socially sound framework to facilitate the availability of serviced land in the Project Area for development ("Land Framework"), such framework to reflect the principles set forth in the Resettlement Policy Framework, and to include: (i) a review of the legal framework for land titles and leases, (ii) suitable mechanisms for clarification of existing land tenure; (iii) criteria and procedures for land consolidation, allocation, establishment of land use, and ownership rights; and (iv) an appropriate dispute resolution mechanism and provision of training in the application of said framework, including processing of disputes and reporting thereon.

(d) Development, in a participatory manner with local communities, of:

(i) a zone development plan ("Zone Development Plan") ("schema directeur"), including: (A) a land allocation map (based, inter alia, on cadastral and soil quality surveys); and (B) pre-feasibility and feasibility studies and designs for irrigation schemes, roads, and electricity facilities; and
(ii) a promotion plan for development of the Project Area to attract investors and facilitate linkages between private entrepreneurs, small holders and local communities.

(e) Carrying out, on the basis of the Land Framework and Zone Development Plan, of a program of: (i) land demarcation, registration and delivery of land use rights documents; (ii) allocation of land to persons currently occupying land in the Project Area and transfer to said persons of ownership titles to the land so allocated; and (iii) leasing of land to private entrepreneurs; all designed to improve land security for customary land users, small holders and investors in the Project Area.

(f) Development and introduction of transparent and cost-effective procedures to inform investors of land available in the Project Area and facilitate their acquisition of land use rights to such land, including through the establishment of an electronic registry and computerized search systems.

(g) Preparation, on the basis of the Zone Development Plan, of:

(i) site specific (A) Environmental and Social Impact Assessments ("ESIA") including an Environmental and Social Management Plans ("ESMP") in accordance with the ESMF; and (B) Resettlement Action Plans, if required, in accordance with the RPF; and

(ii) an integrated natural resources management program designed to promote long term local development while protecting the natural resources of the Project Area, said program to include actions to: (A) protect coastline and afforest the area upstream of the Bagré Dam; (B) protect and develop sustainable wildlife populations in selected ecosystems; and (C) develop the capacity of local communities and private operators to promote sustainable management of the protected areas.

(h) Development and delivery of vocational training programs to address the needs of producers in the Project Area, in particular in the areas of agriculture, forestry, and animal herding; and provision of equipment, materials and supplies required for the purpose.

(i) Carrying out of a program to develop public private partnerships in the Project Area, in particular for hotel management and production of animal feed and fish farming facilities, as well as for other commercially viable activities, all through the provision of technical advisory services for the Recipient and inhabitants of the Project Area.
(j) **Provision of technical assistance to establish effective investment promotion systems** through the carrying out of activities by the Presidential Investment Council and Investment Promotion Agency such as: (i) carrying out and dissemination of diagnostic studies (**including analysis of export potential, constraints, opportunities for diversification**) to address investment challenges in the Project Area, and organization and carrying out by said council and said agency of meetings with investors to review the results of such studies, and provision of goods required for the purpose; (ii) **training for Bagrepôle and other investment promotion agencies on investment promotion and communication strategy**; (iii) installing and operationalizing an investor tracking system and other IT systems; (iv) consulting services for priority sector studies, analyses, and reports; (v) development of promotional materials through creation of a website; (vi) internal and external promotional activities such as, *inter alia*, trade fairs and events; promotional activities; and meetings with anchor investors; and (vii) strengthening investor after care.

(k) Carrying out of studies by, and provision of technical advisory services to, the National Steering Committee, designed to inform policy decisions regarding the creation of special economic zones and development of niche markets and products and business clusters in the Recipient’s territory, and organization and carrying out of meetings on the results of such studies; all in order to facilitate a coherent and coordinated development of the Recipient’s growth poles through private investments.

(l) Carrying out activities in support of the agro-industry and commercialization of agricultural products such as the construction of warehouses, purchase of equipment for agricultural transformation and provision of training and technical assistance.

3. **Project Monitoring and Evaluation.** Carrying out the monitoring and evaluation of the Project, including the drafting and delivery of monitoring and evaluation reports, mid-term review reports, and Project completion report.

Part B: Infrastructure

Development of the following agricultural infrastructure in the Project Area, based on the Zone Development Plan, Land Framework and Safeguard Documents:

1. **Development of Irrigation Infrastructure** through the:

(a) design, construction and equipping of irrigation infrastructure to enable cultivation of around 5,500 ha of the Rive Gauche and Rive Droite; and
(b) provision of basic technology packages (seeds, oxen, carts, and training) to such farmers, and provision of training required for the purpose.

(c) carrying out safety inspections of the Bagre dam.

2. **Development of Livestock Infrastructure** through the:

(a) provision of basic equipment (including wells, pumps, reservoirs, and troughs) for livestock watering;

(b) introduction of a livestock management system, including tracking equipment; and

(c) construction and equipping of a veterinary facility, slaughterhouse, vaccination yard and livestock yard.

3. **Development of Industrial Park Diagnostics** through the:

(a) preparation of an Environmental and Social Impact Assessment for the proposed industrial park and Resettlement Action Plans, if needed;

(b) design of a preliminary master plan for promotional purposes;

(c) provision of technical assistance for structuring public-private partnerships for park management and infrastructure; and

(d) preparation of other safeguard studies and upgrade of studies, as needed.

4. **Development of Project Roads Infrastructure** through the: (i) preparation of updates to safeguard studies, as needed; (ii) construction of both access and internal paved and unpaved roads within the Project Area; (iii) maintenance planning; (iv) research of opportunities for private participation; and (v) establishment of a citizen engagement third-party construction monitoring system.

5. **Development of Project Electric Power** through the: (i) updates to safeguard studies, as needed; (ii) construction of additional power infrastructure to extend the electrical grid in the Project Area for small businesses, households, and industrial usage; (iii) maintenance planning; (iv) research of opportunities for private participation in the Project Area.
Part C: Services

1. Matching Grants and Cash Transfers. Financing, through the provision by BFBA of Matching Grants and Cash Transfers for specific development projects ("Sub-projects") consisting of technical advisory and business development services and Training:

   (a) to facilitate the establishment of enterprises providing critical services in the Project Area; and

   (b) to improve the productive capacity and competitiveness of enterprises, small-holders and their associations, operating in the Project Area, as well as their linkages with larger businesses through the provision of technical assistance to develop growth plans and market opportunity analyses in such areas as: development of business plans; access to finance; regulatory requirements; technology; equipment maintenance; targeted recruitment of women and youth employees; basic agronomic skills; and marketing and product design.

2. Matching Grants and Cash Transfers Management. Management by BFBA of the Matching Grants and Cash Transfers made under Part C(1) of the Project, including:

   (a) provision of technical services to Beneficiaries in the preparation of Sub-projects;

   (b) supervision and monitoring and evaluation of Sub-projects;

3. Provision of technical assistance for SME development, linkages of SMEs with other companies, and training.

4. Provision of support to persons affected by the Project through agricultural inputs such as fertilizers, seeds, phytosanitary handling products, access to warehousing and distribution capacity building, and support for the harvesting of agricultural products.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. National Steering Committee.

   (a) The Recipient shall maintain throughout the period of Project implementation, the National Steering Committee, with attributions, composition and resources satisfactory to the Association, to provide strategic directions and policy guidance for the Project, resolve inter-ministerial and other policy issues that may arise under the Project, and approve annual work plans and annual budgets.

   (b) Further to the provisions of paragraph (a) of this Section I.A.1, the National Steering Committee shall:

      (i) be chaired by the Recipient’s prime minister or his representative and comprised, inter alia, of the ministers of the Recipient involved in the Project, a representative of BFBA and of Bagrepôle and representatives of professional associations in the Recipient’s territory; and shall meet at least once every calendar semester; and

      (ii) be supported by a technical secretariat within MOEF, comprised of qualified and experienced staff in adequate numbers.

   (c) Notwithstanding the provisions of paragraph (a) of this Section I.A.1, the Recipient shall ensure that each Project Implementing Entity, through its organs, assumes responsibility for the day to day management of its Respective Part of the Project, in accordance with its respective Project Agreement.


   (a) The Recipient shall update, in accordance with terms of reference acceptable to the Association, and furnish to the Association a proposed implementation manual for the Project containing detailed:

      (i) administrative; (ii) procurement; (iii) financial and accounting; and (iv) monitoring and evaluation procedures; (v) safeguard arrangements for the Project (including the implementation of the Safeguard Documents); (vi) the eligibility criteria, terms and conditions, procedures for preparation and approval and monitoring and evaluation for the Matching
Grants and Cash Transfer program; and a code of conduct to prevent and manage any incidents of gender based violence and sexual exploitation and abuse for any contractors/sub-contractors or consultants hired by the Recipient or the Project Implementing Entity.

(b) The Recipient shall: (i) furnish said updated manual to the Association for review and approval; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on said manual; (iii) thereafter ensure that the Project Implementing Entities adopt said updated Project implementation manual as shall have been approved by the Association ("Project Implementation Manual").

(c) The Recipient shall ensure that: (i) the Project is carried out in accordance with the Project Implementation Manual, and (ii) neither the Project Implementation Manual nor any of its provisions is amended or waived 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 or Project Agreements, the provisions of the Financing Agreement and Project Agreements shall prevail.

B. Subsidiary Agreements.

1. To facilitate the carrying out of the Project Implementing Entities’ Respective Parts of the Project, the Recipient shall:

   (a) make the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section IV of this Schedule available to Bagrepôle under a subsidiary agreement between the Recipient and Bagrepôle, on a non-reimbursable grant basis under terms and conditions approved by the Association ("Bagrepôle Subsidiary Agreement"); and

   (b) make the proceeds of the Financing allocated from time to time to Category (2) of the table set forth in Section IV of this Schedule available to BFBA under a subsidiary agreement between the Recipient and BFBA, on a non-reimbursable grant basis under terms and conditions approved by the Association ("BFBA Subsidiary Agreement").

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.
C. **Anti-Corruption**

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

D. **Semi-annual Work Programs; Counterpart Funds Account**

1. The Recipient shall, not later than May 31 and November 30 in each calendar year, prepare (based on the proposed semi-annual programs prepared by Bagrepôle pursuant to Section I.C of the Schedule to the Bagrepôle Project Agreement and by BFBA pursuant to Section I.D of the Schedule to the BFBA Project Agreement) and furnish to the Association, a program of activities proposed for inclusion in the Project during the following calendar semester, including: (a) a detailed timetable for the sequencing and implementation of these activities; (b) the types of expenditures required for such activities and a proposed financing plan (including counterpart funds to be provided by the Recipient) for such expenditures; and (c) each Safeguard Document required for such activities pursuant to Section I.E of this Schedule and the measures proposed to be carried out under such Safeguard Documents.

2. The Recipient shall exchange views with the Association on each such proposed semi-annual work program, and shall thereafter, (a) provide the required financing for, and (b) ensure that the Project Implementing Entities carry out, such program of activities for such following semester as shall have been agreed between the Recipient and the Association (“Semi-annual Work Program”).

3. Only those activities which are included in a Semi-annual Work Program shall be included in the Project.

4. The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under a Semi-annual Work Program it shall include in the proposed Semi-annual Work Program: (a) the objective and content of the training or workshop envisaged; (b) the selection method of the institutions or individuals conducting such training or workshop, and said institutions if already known; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the selection method of the personnel who will attend the training or the workshop, and said personnel if already known.

5. The Recipient shall:

   (a) provide an amount in CFA equivalent to USD 10,000,000 as counterpart funds (Counterpart Funds) for the Project;

   (b) at all times throughout the Project period, maintain in a financial institution and on terms and conditions acceptable to the Association, an...
account into which the Recipient shall deposit all counterpart funds required for the Project (including compensation under the RAPs) ("Counterpart Funds Account");

(c) without limitation upon the provisions of Section 5.03 of the General Conditions, deposit into the Counterpart Funds Account prior to the commencement of each calendar semester, the amount of counterpart funding agreed with the Association to be provided pursuant to the Semiannual Work Program for such semester; and

(d) ensure that all amounts deposited in the Counterpart Funds Account shall be used exclusively to pay for expenditures included in the Semi-annual Work Program (including compensation under and in accordance with the RAPs and RPF).

E. Safeguards

1. General. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Documents.

2. Safeguards Documents. To that end, the Recipient shall take, or ensure that the Project Implementing Entities and NBEA shall take, the following measures:

(a) If any activities included in a proposed Semi-annual Work Program would, pursuant to the ESMF, require the carrying out of an ESIA, no such activities shall be implemented unless and until an ESIA, including an ESMP, for such activities has been: (i) prepared, in accordance with the ESMF and furnished to the Association as part of the Semi-annual Work Program; (ii) disclosed locally as required by the ESMF; and (iii) approved by the Association and publicly disclosed;

(b) If any activities included in a proposed Semi-annual Work Program would, pursuant to the RPF, require the carrying out of a RAP, no such activities shall be implemented unless and until:

(i) a RAP for such activities has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Association as part of the proposed Semi-annual Work Program and providing, inter alia, for the transfer of ownership title of suitable land to the Project-affected Persons; (B) disclosed as required by the RPF; and (C) approved by the Association; and

(ii) (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken; (B) a report, in form and substance satisfactory to the Association, on the status of
compliance with the requirements of said RAP has been prepared and furnished to the Association; and (C) the Association has confirmed that said activities may be commenced.

3. **Safeguard Implementation Agreement.** To ensure proper coordination and collaboration of the implementation of the Safeguard Documents, the Recipient shall update the agreements among the Recipient through NBEA and each Project Implementing Entity ("Safeguard Implementation Agreements") to ensure that:

   (a) the Project Implementing Entity responsible for such activity thereafter:
      (i) prepares the Safeguard Documents for such activity, assisted by consultants selected in accordance with the provisions of Section III of this Schedule, and whose terms of reference, qualifications, experience and terms and conditions of employment shall be satisfactory to the Association; (ii) furnishes the Safeguard Documents to NBEA for comments; and (iii) thereafter, furnishes the Safeguard Documents, revised, if needed, to reflect the suggestions of NBEA, to the Association for review and approval; and

   (b) NBEA, in accordance with guidelines acceptable to the Association:
      (i) monitors and supports the implementation by the Project Implementing Entity responsible for such activity, of the actions required under the Safeguards Documents for such activity; (ii) prepares and furnishes to the Project Implementing Entities and to the Recipient in each Project Report, quarterly reports on the results of such monitoring and evaluation activities.

4. **Land Rights Review.** The Recipient shall, or shall cause BagrePôle to, not later than November 30, 2018:

   (a) carry out, under terms of reference acceptable to the Association, and furnish to the Association, a study to: (i) identify all persons displaced or adversely affected by the irrigation activities of this Project; (ii) confirm the implementation of compensation (including land) provided to such persons as a result of such displacement or adverse effects; (iii) determine whether such persons have any outstanding grievances; (iv) recommend measures to resolve any such grievances and to ensure the adequacy of the current land tenure arrangements of such persons, including transferring full ownership to them of such land or suitable equivalent alternative land, together with a time-bound action plan for the implementation of such measures; and (v) ensure the adequacy of community activities for persons currently residing within the Project Area who were displaced or adversely affected by the construction of the Bagre Dam or by other irrigation activities prior to the date of this Financing Agreement;
afford the Association a reasonable opportunity to exchange views with the Recipient on said study and its recommendations; and

(c) implement such measures (in accordance with such action plan) and the community activities referred to in Section I.E.4.(a)(v) above and detailed in Section I.E.7 of the Bagrepole Project Agreement taking into account the comments of the Association thereon.

5. **Terms of Reference.** The Recipient shall, and shall cause Bagrepôle, BFBA, NEC, and NBEA, 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.

6. **Safeguards Reporting.** Without limitation upon its other reporting obligations under Section II.A of Schedule 2, the Recipient shall, and shall cause the Project Implementing Entities to, 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; and

(c) remedial measures taken or required to be taken to address such conditions.

7. **Health and Safety Action Plan.** The Recipient shall comply with, and shall ensure that Bagrepôle, BFBA, and NEC comply with, the Health and Safety Action Plan in a manner acceptable to the Association.

F. **Dam Safety**

1. In order to ensure the proper management and safety of Bagré Dam and of the operations and maintenance of the power station associated with said dam, the Recipient shall, or shall cause Bagrepole, to:

(a) not later than November 30, 2018, in accordance with terms of reference satisfactory to the Association: (i) carry out a study of risks of inundation
and related potential uncontrolled release of water from the Bagré Dam;
(ii) prepare an updated operation and maintenance plan and emergency
preparedness plan for the Bagré Dam based on the results of said study;
(iii) furnish said study and plans to the Association for its review;
(iv) adopt and implement said plans, taking into account the views of the
Association on the matter ("Bagré Dam Operation and Maintenance and
Emergency Preparedness Plans"); (v) establish an emergency committee
with mandate, composition and resources acceptable to the Association, to
be responsible for implementation of said plans ("Bagré Dam
Committee"); and (vi) carry out an on-site training program for the
members of said committee and NEC staff on the implementation of the
Bagré Dam Operation and Maintenance and Emergency Preparedness
Plans; and

(b) under an agreement to be concluded between the Recipient, Bagrepôle,
and NEC ("New Bagré Dam Management Agreement"), ensure that
Bagrepôle carries out a safety inspection of the Bagré Dam at intervals of
not less than once every two (2) years during the implementation of the
Project, by independent experts whose terms of reference, qualifications,
and experience shall be satisfactory to the Association (the first of said
safety inspections to be carried out not later than August 30, 2018, and the
second of which to be carried out not later than August 30, 2020).

2. To assist the Recipient in carrying out the study in paragraph 1(a) of this Section
I.F, the Recipient shall engage independent dam specialists, whose terms of
reference, qualifications, experience and terms of reference shall be satisfactory to
the Association.

G. Matching Grants and Cash Transfers Implementation Arrangements

The Recipient shall cause BFBA to enter into agreements with financial
institutions acceptable to the Association, under terms of reference acceptable to
the Association, setting forth the terms and conditions for the transfer of portions
of the Financing for Matching Grants and Cash Transfers under Parts C(1) and
C(2) of the Project.
Section II. Project Monitoring, Reporting, and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.

Section III. Procurement

A. General

1. Goods, Works, and Non-consulting Services. All goods, works, and non-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 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works, and Non-consulting Services

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

2. Other Methods of Procurement of Goods, Works, and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the following additional provisions, namely that the Recipient shall use standard bidding documents acceptable to the Association; (b) Shopping; (c) Direct Contracting; and (d) Community Participation in accordance with
procedures set forth in the Project Implementation Manual or the Procurement Plan.

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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement Audits

The Recipient shall ensure that all procurement activities undertaken under the Project are audited annually by auditors whose terms of reference, qualifications, and experience shall be satisfactory to the Association and who shall be engaged in accordance with the provisions of Section III of this Schedule. Each such audit shall cover the period of one (1) fiscal year of the Recipient and shall be furnished to the Association not later than six (6) months after the end of such fiscal year.

Section IV. Withdrawal of the Proceeds of the Financing

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in Euros)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, services, Training and Operating Costs for Part A (excluding Part A(2)(b)), Part B and C(4) of the Project</td>
<td>34,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2)(a) Goods, works, services, Training and Operating Costs for Part A(2)(b), Part C(2) and Part C(3) of the Project</td>
<td>3,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2)(b) Services for Sub-projects financed out of the proceeds of Matching Grants and Cash Transfers under Part C(1) of the Project.</td>
<td>3,800,000</td>
<td>100% of amounts paid under the Matching Grant or Cash Transfer for expenditures required for the Sub-project concerned</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>41,800,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made:
   
   (a) for payments made prior to the Signature Date.
   
   (b) under Category 2(b) for Matching Grants and Cash Transfers until (i) BFBA has entered into the agreements with financial intermediaries referred to under Section G of Schedule 2 to this Agreement, in a manner acceptable to the Association, and (ii) the funds under Category 2(b) of the table under Section IV of Schedule 2 to the Original Financing Agreement have been fully disbursed.

3. The Closing Date is November 30, 2020.
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 April 1, 2024, to and including October 1, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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. "API-BF" or "Investment Promotion Agency" means "L'Agence de Promotion des Investissements du Burkina Faso" established by the Recipient pursuant to its Decree No. 2013-107/PRES/PM/MICA/MEF dated March 7, 2013, and any successor thereto acceptable to the Association.


5. "Bagrépôle Project Agreement" means the agreement between the Association and Bagrépôle of even date herewith relating to the implementation of Bagrépôle’s Respective Part of the Project, as such agreement may be amended from time to time, and includes the General Conditions as applied to the Bagrépôle Project Agreement and all appendices, schedules and agreements supplemental to the Bagrépôle Project Agreement.

6. "Bagrépôle Subsidiary Agreement" means the agreement referred to in Section I.B. of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to Bagrépôle.

7. "Bagrépôle’s Respective Part of the Project" means Part A (excluding Part A(2)(b)) and B of the Project.


9. "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.

10. "BDA Legislation" means Recipient's Law No. 10/92/ADP dated December 15, 1992 and Decree No. 2010-180/PRES/PM/MATD/MEF dated April 19, 2010, and BFBA’s Statutes and Regulations, both adopted September 17, 2009, as the same may be amended from time to time thereafter.

11. "Beneficiary" means an Individual Person or a Legal Entity "BFBA Project Agreement" means the agreement between the Association and BFBA relating to the implementation of BFBA’s Respective Part of the Project, as such agreement may be amended from time to time, and includes the General Conditions as applied to the BFBA Project Agreement and all appendices, schedules and agreements supplemental to the BFBA Project Agreement.

12. "BFBA Subsidiary Agreement" means the agreement referred to in Section I.C. of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to BFBA.


14. "BFBA Legislation" means Law No. 10/92/ADP dated December 15, 1992 and Decree No. 2010-180/PRES/PM/MATD/MEF dated April 19, 2010 as said decree may be amended from time to time thereafter.

15. "Cash Transfer" and "Cash Transfers" means cash transfer(s) made or to be made by BFBA out of the proceeds of the Financing to a Beneficiary for a Sub-project.

16. "Cash Transfer Agreement" means an agreement between BFBA and a Beneficiary providing for a Cash Transfer.

17. "Cash Transfer Beneficiary" means a natural or legal person who submits an expression of interest for a qualifying agribusiness value chain or critical services project within the Bagré Project Area and to whom BFBA has extended a Cash Transfer.

18. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
19. “CB” means “Groupement BRLi/CINTECH/LAMCO”, a supervisor engineering hired by Bagrepôle, or any other supervisor engineering firm hired to carry out the functions of “Groupement BRLi/CINTECH/LAMCO” following the procedures of Section III of Schedule 2 to this Agreement.

20. “CGE/SNCE” means “Groupement CGE/SNCE”, a company registered under such name in Burkina Faso and in the Kingdom of Morocco, or any other company hired to carry out the functions of “Groupement CGE/SNCE” following the procedures of Section III of Schedule 2 to this Agreement.

21. “Chaabane et Cie” means “Chaabane et Cie”, a company registered under such name in Tunisia or any other company hired to carry out the functions of “Chaabane et Cie” following the procedures of Section III of Schedule 2 to this Agreement.


23. “Environmental and Social Management Framework” and “ESMF” means the Recipient’s environmental and social management framework for the Project, set forth in the document entitled “Projet Pole de Croissance de Bagre (PPCB) - Cadre de Gestion Environnementale et Sociale (PGES) - Rapport Final”, and dated January 23, 2017, as said document may be updated from time to time with the agreement of the Association.

24. “Environmental and Social Impact Assessment” and “ESIA” each means each environmental and social impacts assessment for the Project to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E. of Schedule 2 to this Agreement, as these documents may be updated from time to time with the agreement of the Association.

25. “Environmental and Social Management Plan” and “ESMP” means each environmental and social management plan prepared for the Project and included in the ESIA carried out or to be carried out in accordance with the ESMF and pursuant to the provisions of Section I.E. of Schedule 2 to this Agreement, which includes: (a) the measures to be taken during the implementation of Project activities to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as such ESMP may be amended from time to time with the prior written approval of the Association; “ESMP” means the EMP.

27. “Health and Safety Action Plan” means the action plan dated December 1, 2017, and referred to in Section I.E.7 of Schedule 2 to this Agreement, as said plan may be amended from time to time with the agreement of the Bank.


29. “Individual Person” means a natural person to whom BFBA has extended a Matching Grant under a Matching Grant Agreement for a Sub-project or a Cash Transfer under a Cash Transfer Agreement for a Sub-project.

30. “IPE” means individual protective equipment.

31. “Land Framework” means the framework to be developed under Part A and Part B of the Project.

32. “Legal Entity” means a legal entity to which BFBA has extended a Matching Grant under a Matching Grant Agreement for a Sub-project or a Cash Transfer under a Cash Transfer Agreement for a Sub-project.

33. “Matching Grant” means a grant made or to be made by BFBA out of the proceeds of the Financing to a Beneficiary for a Sub-project.

34. “Matching Grant Agreement” means an agreement between BFBA and a Beneficiary providing for a Matching Grant.

35. “Ministry of Economy, Finance and Development” and “MOEF” each means the Recipient’s ministry at the time responsible for finance.


37. “National Electricity Company” and “NEC” means the enterprise known as “Société National Burkinabé de l’Electricité (SNBEC)” or “SONABEL”, established pursuant to the Recipient’s decree No. 95/160/PRES/MICM/TPHU dated April 14, 1995 which established it as a public utility (“la forme d’Etablissement Public Caractère Industriel et Commercial”) revised in n° 97-599/PRES/PM/MEC/MCL4 dated December 31, 1997 and privatized pursuant to La loi N° 012-2001/AN dated July 4, 2011 and operating under the laws of the Recipient, and any successor thereto acceptable to the Association.
38. “National Steering Committee” means the committee established by the Recipient’s Council of Ministers pursuant to its decree No. 2011-003/PRES/PM/MEF, dated January 14, 2011, as said decree may be revised from time to time thereafter.

39. “New Bagré Dam Management Agreement” means the agreement to be entered into between the Recipient, Bagrepole and the NEC in accordance with the provisions of Section I.F. of Schedule 2 to this Agreement.

40. “NSSF” means the National Social Security Fund of the Recipient.

41. “OHS” means occupational health and safety.

42. “Operating Costs” means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding salaries of officials of the Recipient’s civil service).

43. “Original Financing Agreement” means the financing agreement for the Bagré Growth Pole Project between the Recipient and the Association, dated July 4, 2011 (Grant Number H727-BF), as amended on June 7, 2016 and January 12, 2018, and on the date of this Agreement.

44. “Original Project” means the Project described in Schedule I to the Original Financing Agreement (Grant Number H727-BF), as amended on June 7, 2016, and January 12, 2018, and on the date of this Agreement.

45. “PAP” or “PAPs” means a Project-affected person singularly and collectively, respectively.

46. “Pest Management Plan” and “PMP” means the Recipient’s pest management plan for the Project, set forth in the document entitled “Projet Pole de Croissance de Bagre (PPCB) - Plan de Gestion des Pestes P - Rapport Final” and dated January 23, 2017, as said document may be updated from time to time with the agreement of the Association.

47. “PIE” or “PIEs” means Project Implementing Entity or Project Implementing Entities, respectively.

48. “Presidential Investment Council” means the council known as “Conseil Présidentiel Pour l'Investissement” established by the Recipient pursuant to its decree No. 2007-739/PRES, dated November 19, 2007, and any successor thereto acceptable to the Association.

“Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 24, 2018 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

“Project-affected Person” means a person who, on account of the execution of the Project had or would have his or her: (a) standard of living adversely affected; (b) right or interest in any house, land, or other fixed or movable asset acquired or possessed, temporarily or permanently; (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work, or place of residence or habitat adversely affected.

“Project Agreement” means either (a) the Bagrepôle Project Agreement; or (b) the BFBA Project Agreement, as the context requires; and “Project Agreements” refers to both of the above-mentioned agreements.

“Project Area” means the 282,814 hectares area of land located downstream of the Bagré Dam within the Recipient’s territory along the Nakanbd River, and including the Bagré Dam, and which is part of a larger area that has been declared a “public use zone” (“zone d’utilité publique”) by the Recipient pursuant to its decree No. 98-476/PRES/PM/MEE, dated December 2, 1998, updated by decree No. 2014-078/PRES/PM/MEF/MASA/MEDD/MICA/MRAH/MATS/MATD dated February 14, 2014.

“Project Implementing Entity” means either (a) Bagrepôle; or (b) BFBA, as the context requires; and “Project Implementing Entities” means, collectively, Bagrepôle and BFBA.

“Project Implementing Entity’s Legislation” means (a) in respect to Bagrepôle, the Bagrepôle Legislation; and (b) in respect of BFBA, the BFBA Legislation; and “Project Implementing Entities’ Legislation” means, both the Bagrepôle Legislation, and the BFBA Legislation.

“Project Implementation Manual” means the manual for the Project to be prepared and adopted in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the Association.

“Project Management Team” and “PMT” each means the Project management team to be established and maintained by Bagrepôle pursuant to Section I.A. of the Bagrepôle Project Agreement.
58. "RE" means responsible environment.

59. "Resettlement Action Plan" and "RAP" each means each resettlement action plan for the Project to be prepared and implemented in accordance with the RPF and pursuant to provisions of Section I.E. of Schedule 2 to this Agreement.

60. "Resettlement Policy Framework" and "RPF" means the Recipient's resettlement planning framework for the Project, set forth in the document entitled "Projet Pole de Croissance de Bagré (PPCB) - Cadre de Politique de Reinstallation des Populations - Rapport Final" and dated January 20, 2017, as said document may be updated from time to time with the agreement of the Association.

61. "Respective Part of the Project" means: (a) for Bagrépôle, Part A (excluding Part A(2)(b)), Part B, and Part C(4); and (b) for BFBA, Parts A(2)(b), and Parts C(1), C(2) and C(3) of the Project.

62. "RFT" means reinforced fire taps.

63. "Rive Droite Safeguard Documents" means the environmental and social impact assessment ("ESIA l'aménagement de Hydro Agricole de Perimetre", dated September 2016) and resettlement action plan ("Plan d'Action de Reinstallation des Populations Affectees par l'Amenagement de 4 464 Ha en Rive Droite (1000 ha, 1173 ha extension ouest) et en Rive Gauche (2291 ha extension est)", dated September 2016) prepared and used by the Recipient in monitoring and overseeing Rive Droite activities implemented through the African Development Bank for their Bagré Growth Pole Support Project (P-BF-AAO-025) for which a Grant (No. du Don 2100155029766) and Loan (No. du Pret 2100150033093) were both signed on May 28, 2015.

64. "Safeguard Documents" means the ESMF, all ESIAs (which include the relevant ESMPs), the PMP, the RPF and all RAPs developed and to be developed under the Project, as these documents may be updated from time to time with the agreement of the Association.

65. "Safeguard Implementation Agreements" means the agreements between the Recipient, acting through NBEA, and the Project Implementing Entities, to be updated in accordance with the provisions of Section I.E.3. of Schedule 2 to this Agreement.

66. "Safeguard Instrument" means any of the Safeguard Documents, the Safeguard Implementation Agreement, Bagré Dam Management Agreement, and Bagré Dam Operation and Maintenance and Emergency Preparedness Plans, as said documents may be updated from time to time with the agreement of the Association.
“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 4.36 (Forests), and OP/BP 4.37 (Safety of Dams) contained in the Association’s Operational Manual which can be found on the Association’s website at www.worldbank.org.

“Semi-annual Work Program” means each Semi-annual Work Program prepared in accordance with the provisions of Section I.D of Schedule 2 to this Agreement and approved by the Association in accordance with said provisions.

“Signature Date” means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.

“SME” means small and medium enterprises.

“Sub-project” means a specific development project under Part C of the Project to be carried out by a Beneficiary utilizing the proceeds of a Matching Grant or a Cash Transfer.

“Subsidiary Agreement” means either (a) the Bagrepôle Subsidiary Agreement; or (b) the BFBA Subsidiary Agreement, as the context requires; and “Subsidiary Agreements” means, collectively both the agreements.

“Training” means the reasonable costs associated with training and workshop participation under the Project, consisting of 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 course or workshop preparation and implementation.

“Zone Development Plan” means the zone development plan to be developed under Part A and Part B of the Project.
Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.

2. Paragraphs 86 (Procurement Plan) and 87 (Procurement Regulations) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.