Grant Agreement

(Forest Investment Program--Decentralized Forest and Woodland Management Project)

between

BURKINA FASO

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of the European Union Forest Investment Program--Decentralized Forest and Woodland Management Trust Fund

Dated September 2, 2014
EUROPEAN UNION FOREST INVESTMENT PROGRAM—DECENTRALIZED FOREST AND WOODLAND MANAGEMENT TRUST FUND
GRANT AGREEMENT

AGREEMENT dated September 2, 2014, entered into between:

BURKINA FASO ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the European Union Forest Investment Program—Decentralized Forest and Woodland Management Trust Fund.

WHEREAS: (A) pursuant to an agreement dated February 17, 2014, between the Recipient and the World Bank acting as implementing entity of the Strategic Climate Fund (the Strategic Climate Fund Grant Agreement), for the financing of the Forest Investment Program—Decentralized Forest and Woodland Management Project (the Project, as described in Schedule 1 of the Strategic Climate Fund Grant Agreement and of this Agreement, the World Bank acting as implementing entity of the Strategic Climate Fund agreed to provide to the Recipient a grant in the amount sixteen million five hundred thousand United States Dollars ($16,500,000) on the terms and conditions set forth in the Strategic Climate Fund Grant Agreement, and the Recipient declared its commitment to the objectives of the Project and agreed to carry out the Project in accordance with the terms and conditions of the Strategic Climate Fund Grant Agreement;

(B) pursuant to agreement between the World Bank and the European Union, represented by the European Commission (the Donor), the Donor has agreed to contribute funds for co-financing the Project, and the World Bank has agreed to administer, on behalf of the Donor, its contribution, through a Trust Fund to be used to finance in part the costs of carrying out the Project under the terms and conditions of this Agreement; and

(C) the Donor to the European Union Forest Investment Program—Decentralized Forest and Woodland Management Trust Fund has asked the World Bank, on the basis, inter alia, of the foregoing, to provide such additional funds to the Recipient and to co-finance the Forest Investment Program—Decentralized Forest and Woodland Management Project upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:
Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in the Strategic Climate Fund Grant Agreement, or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Environment and Sustainable Development (Ministère de l'Environnement et Développement Durable), in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million five hundred forty nine thousand euros (€3,549,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available.
to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**

**Additional Remedies**

4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:

(a) Subject to paragraph (b) of this Section, the right of the Recipient to withdraw the proceeds of the Co-financing has been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement.

(b) Paragraph (a) of this Section shall not apply if the Recipient establishes to the satisfaction of the World Bank that: (i) such suspension, cancellation or termination was not caused by the failure of the Recipient to perform any of its obligations under the Co-financing Agreement; and (ii) adequate funds for the Project are available from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

**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 Recipient has:

(a) recruited at the central level (FIP Coordination Unit), a financial management specialist, a procurement specialist and two (2) accountants with qualifications acceptable to the World Bank;

(b) prepared and endorsed the Project Implementation Manual referred to in Section C.2 of Schedule 2 to this Agreement whose substance shall be acceptable to the World Bank; and

(c) the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Recipient shall also furnish to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a
Article VI
Recipient's Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Economy and Finance
Ministère de l’Économie et des Finances
03 BP 7050
Ouagadougou 03
Burkina Faso

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

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 64145 (MCI)
Facsimile: 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: Lucien Marie Noel BEMBAMBA
Title: Ministre de l'Economie et des Finances

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as administrator of the European Union Forest Investment Program—Decentralized Forest and Woodland Management Trust Fund

By

[Signature]

Authorized Representative

Name: KATRINA SHARKEY
Title: Acting Country Director
SCHEDULE 1
Project Description

The objective of the Project is to promote national development policies, as well as support the definition and implementation of community-based natural resource management processes in thirty-two (32), mostly rural, communes in the territory of the Recipient in order to strengthen sustainable local development practices and to contribute to reducing greenhouse gas emissions from deforestation and woodland degradation.

The description of the Project in Schedule 1 to the Strategic Climate Fund Grant Agreement is incorporated in this Schedule 1 to the Grant Agreement.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The provisions of Sections I.A, I.B, I.C, I.E, and I.F of Schedule 2 to the Strategic Climate Fund Grant Agreement are incorporated herein and apply to the Grant, mutatis mutandis, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

2. For the purposes of the above paragraph 1. and the definitions in the Appendix to the Strategic Climate Fund Grant Agreement, the term (a) “Co-financier” means the International Bank for Reconstruction and Development/International Development Association, acting as administrator of the European Union Forest Investment Program—Decentralized Forest and Woodland Management Trust Fund; (b) “Co-financing Agreement” means the agreement dated February 17, 2014 between the Recipient and the Co-financier providing for the Co-financing; (c) “Financing” means the Grant provided for in this Grant Agreement; and (d) “Recipient” means the Recipient of the Grant provided for in this Grant Agreement.

B. Anti-Corruption

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

C. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.
Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports; Completion Report**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. **Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines:
Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants’ services; and

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

2. Definitions. The capitalized terms used below in 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 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: the Recipient shall use the World Bank’s standard bidding documents or other bidding documents which shall have been found acceptable to the World Bank prior to their use; (b) Shopping; (c) Direct Contracting; and (d) Community Participation procedures which have been found acceptable to the World Bank.

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 assignments which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Quality-Based Selection; (d) Selection based on Consultants’
Qualifications; (e) Selection of Individual Consultants; (f) Single-source; and (g) Single-source procedures for the Selection of Individual Consultants.

D. 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.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant 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 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 Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in Euros)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Operating Costs and Training under the Project</td>
<td>2,749,000</td>
<td>62%</td>
</tr>
<tr>
<td>(2) Sub-grants</td>
<td>800,000</td>
<td>62% of the disbursed amount</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,549,000</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 for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.