Global Agricultural and Food Security Program
Grant Agreement

(GAFSP Grant for the Co-financing of Agricultural Productivity and Food Security Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as Trustee and as a Supervising Entity of the Global Agriculture and Food Security Program

Dated July 1, 2014
GAFSP GRANT NUMBER TF017447

GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM
GRANT AGREEMENT

AGREEMENT dated July 4, 2014, entered into between:

BURKINA FASO ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as
Trustee and as a Supervising Entity of the Global Agriculture and Food Security
Program.

WHEREAS: (A) pursuant to an agreement of the same date, between the
Recipient and the World Bank (the "Additional Financing Agreement"), for the provision
of additional financing to the Agricultural Productivity and Food Security Project (the
Project, as described in Schedule I of the Additional Financing Agreement and Section II
of the Appendix thereto), the World Bank agreed to provide to the Recipient a grant in
the amount equivalent to twenty three million two hundred thousand Special Drawing
Rights (SDR 23,200,000) on the terms and conditions set forth in the Additional
Financing 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 Additional Financing Agreement;

(B) the World Bank has further agreed to provide additional funds to the
Recipient under the Global Agriculture and Food Security Program and to co-finance the
Agricultural Productivity and Food Security 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

1.01. The Standard Conditions constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this
Agreement have the meanings ascribed to them in the Standard Conditions, in the
Original Financing Agreement, in the Additional Financing Agreement and/or in
the Appendix to 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 Agriculture 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 thirty seven million and one hundred thousand United States Dollars ($37,100,000) ("Grant") to assist in financing the Agricultural Productivity and Food Security 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 donors 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 donors 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
Effectiveness

4.01. 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 execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action; and
(b) the Financing Agreement dated the same date as this Agreement, between
the Recipient and the International development Association, providing a
grant in support of the Project ("Additional Financing Agreement"), has
been executed and delivered and all conditions precedent to its
effectiveness or to the right of the Recipient to make withdrawals under it
(other than the effectiveness of this Agreement) have been fulfilled.

4.02. As part of the evidence to be furnished pursuant to Section 4.01(a) of this
Agreement, there shall be furnished 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
competent official of the Recipient, showing, on behalf of the Recipient, that this
Agreement has been duly authorized or ratified by, and executed and delivered on
its behalf and is legally binding upon it in accordance with its terms.

Article V
Recipient’s Representative; Addresses

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

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

Minister of Economy and Finance
Ministry of Economy and Finance
03 BP 7050
Ouagadougou 03
Burkina Faso

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

5.03. The World Bank’s Address referred to in Section 7.01 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
Washington, D.C. 64145 (MCI)
AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

BURKINA FASO

By

[Signature]

Authorized Representative

Name: Lucien Marie Noël Bembamba

Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as a trustee and

as a supervising entity of the Global Agriculture and Food Security Program

By

[Signature]

Authorized Representative

Name: Mercy Miyang Tembon

Title: Country Manager for Burkina Faso
SCHEDULE 1  
Project Description

The objective of the Project is to improve the capacity of poor producers to increase food production and to ensure improved availability of food products in rural markets.

The description of the Project in Schedule 1 to the Additional Financing Agreement is incorporated in this Schedule 1 to the Agreement.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The provisions of Section I.A of Schedule 2 of the Original Financing Agreement, as amended under the Additional Financing Agreement, is incorporated herein by reference 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 Original Financing Agreement and the Additional Financing Agreement, the term (a) “Association” means “World Bank”; (b) “Financing” means this Grant; and (c) “Recipient” means the Recipient of this Grant.

B. Anti-Corruption

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

C. Safeguards

1. The Recipient shall ensure and cause to ensure that, throughout the implementation of the Project, the Project and the Sub-projects shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan. In particular, the Recipient shall ensure that:

(a) for each Sub-project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the World Bank, is effectively prepared and locally disclosed, before the implementation of the Sub-project, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant Sub-project is implemented in accordance with its Environmental and Social Management Plan; and

(b) for each Sub-project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared,
such Resettlement Action Plan, in form and substance satisfactory to the World Bank, is effectively prepared and locally disclosed, before the implementation of the Sub-project, in accordance with the provisions of the Resettlement Policy Framework, and the relevant Sub-project is implemented in accordance with its Resettlement Action Plan.

2. The Recipient shall not amend, suspend or waive the Environment and Social Management Framework, the Resettlement Policy Framework, the Pest Management Plan, any Environmental Management Plan and any Resettlement Action Plan, or any provision thereof unless the World Bank has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the World Bank, on a semi-annual basis, (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the Environment and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan and each of the Environmental and Social Management Plan and Resettlement Action Plan, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

4. In the event of any conflict between the provisions of the Environment and Social Management Framework, the Resettlement Policy Framework, the Pest Management Plan, and any of the Environmental and Social Management Plan and Resettlement Action Plan and the provisions of this Agreement, those of this Agreement shall prevail.

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 the indicators set forth in the Project Implementation Manual. Each Project Report shall cover the period of one calendar year, and shall be furnished to the World Bank not later than 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 December 31, 2018. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank in accordance with the provisions of Section III of Schedule 2 to the Additional Financing Agreement.

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 as part of the Project Report not later than 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, upon the World Bank’s request, 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

1. The provisions of Section III of Schedule 2 to the Additional Financing Agreement are incorporated herein by reference 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.

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 USD)</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, and Training for Parts 1(b), 2(b) and 3 of the Project</td>
<td>28,060,000</td>
<td>63%</td>
</tr>
<tr>
<td>(2) Matching Grants</td>
<td>8,507,000</td>
<td>36% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>533,000</td>
<td>11% of amounts disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>37,100,000</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.
APPENDIX

Definitions

1. "Additional Financing Agreement" means the Financing Agreement for the Project between the Recipient and the International Development Association, dated the same date as this Agreement, as such Additional Financing Agreement may be amended from time to time, and this term includes all appendices, schedules and agreements supplemental to the Additional Financing Agreement.


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


5. "Environmental and Social Management Framework" means the Recipient’s document entitled “Etude d’Impact Environnemental et Social du Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire au Burkina”, dated January 2009, and updated on April 8, 2014, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening, as such Environmental and Social Management Framework may be amended from time to time with the prior written consent of the World Bank.

6. "Original Financing Agreement" means the Financing Agreement for the Agricultural Productivity and Food Security Project dated March 1, 2010, between the World Bank and the Recipient (Grant No. H521-BF), as amended pursuant to Section II of the Appendix to the Additional Financing Agreement.

7. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement, as amended pursuant to Section II of the Appendix to the Additional Financing Agreement.

8. "Pest Management Plan" means the Recipient’s document entitled “Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Plan de Gestion des Pestes et des Pesticides » dated March 2009, and updated on April 8, 2014, describing the actions and policies required or appropriate to
promote and support the safe, effective and environmentally-sound pest management under the Project, as such Pest Management Plan may be amended from time to time with the prior written consent of the Association.


10. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 19, 2014 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.

11. “Resettlement Policy Framework” means the Recipient’s document entitled “Projet d’Amélioration de la Productivité et de la Sécurité Alimentaire (PAPSA) – Cadre de Politique de Réinstallation des Populations (CPRP)” dated March 2009, and updated on April 8, 2014, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to displaced persons, as such Resettlement Policy Framework may be amended from time to time with the prior written consent of the World Bank.