The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.
(202) 477-1234
Cable Address: INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION U.S.A. Cable Address: INDEVAS

May 15, 2013

His Excellency Lucien Marie Noel Bembamba
Minister of Economy and Finance
Ministère de l’Economie et des Finances
03 BP 7050
Ouagadougou 03
Burkina Faso

Re: Burkina Faso: JSDF Grant for
Emergency Livestock Feed Access Project
Grant No. TF013331

Excellency:

In response to the request for financial assistance made on behalf of Burkina Faso (the Recipient), I am pleased to inform you that the International Development Association (“World Bank”), as administrator of grant funds provided by Japan (“Donor”) under the Japan Social Development Fund, proposes to extend to the Recipient, a grant in an amount not to exceed two million eight hundred fifty thousand Dollars ($2,850,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement with the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature (“Effective Date”).

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Madani Tall
Country Director for Burkina Faso

AGREEED:
BURKINA FASO

[Signature]
Authorized Representative

Name: 
Lecien Marie Noel Bembamba
Title: 
Minister of Economy and Finance
Date: 
May 15, 2013

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


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

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to increase access to livestock feed and health services to small-scale livestock keepers living in pastoral and agro-pastoral zones with substantial risk of livestock output reduction in 2012. The Project consists of the following parts:

(a) Improving access to manufactured livestock feed, water and health products (“Part A of the Project”).
   (i) Provision to vulnerable small-scale livestock farmers at subsidized prices of: (A) approximately three thousand (3,000) tons of manufactured livestock feed supplements and minerals; (B) veterinary anti-parasite products; and (C) livestock vaccines; all so as to improve livestock feeding efficiency.
   (ii) Rehabilitation of selected water points, particularly boreholes and large diameter wells, so as to improve access to water for livestock in vulnerable zones.
   (iii) (A) Provision of technical advice to farmers on the use of feed and related products; and (B) carrying out of veterinary monitoring.

(b) Acquisition and distribution of livestock feed shredders (“Part B of the Project”).
   (i) Acquisition and distribution of livestock feed shredders to vulnerable villages so as to increase capacity for livestock feed production and maintain the production of livestock products for human consumption.
   (ii) Provision of training for shredder operators and villages receiving shredders under sub-paragraph (b)(i) of this Section, in proper use of the shredders.

(c) Communication (“Part C of the Project”). Carrying out of communication campaigns through meetings and media, targeted at beneficiaries of the activities under paragraphs (a) and (b) of this Section, and aimed at: (i) training sedentary livestock keepers in fodder resources management; (ii) informing transhumant livestock keepers of transit corridors in Burkina Faso; and (iii) training agro-pastoral communities on wild fire management and access to water points.
(d) Project management, monitoring and evaluation, and knowledge dissemination (“Part D of the Project”).

(i) Monitoring and evaluation of the Project, including development and carrying out of baseline and impact evaluation surveys and analysis of the results of said surveys.

(ii) Project management and administration, including Project financial audits.

(iii) Carrying out of knowledge dissemination activities relating to the Project, including: (A) development and dissemination of communication materials about the Project, including on the lessons learned from the use of feed shredders at village level for potential scaling up of such activities under other programs of the Recipient; and (B) provision of technical assistance to enhance the Recipient’s emergency response strategies, including mechanisms for prompt identification of beneficiaries and delivery of critical response packages in situations of climatic shocks.

2.02. Project Execution Generally.

(a) The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with:

(i) the provisions of Article II of the Standard Conditions;

(ii) 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 (“Anti-Corruption Guidelines”);

(iii) the Recipient’s (A) environmental and social management framework entitled “Projet d’Urgence d’Appui à l’Alimentation du Bétail au Burkina Faso (PUAAB) - Cadre de Gestion Environnementale et Sociale (CGES)” dated June 2012 and disclosed on April 3, 2013 (“ESMF”); and (B) pest management plan entitled “Plan de Gestion des Pestes et Pesticides” dated June 2012 and disclosed on April 3, 2013 (“PMP”) (the EMSF and PMP, collectively referred to as the “Safeguards Frameworks”).

(iv) this Article II.

(b) Without limitation on the provisions of paragraph (a) of this Section, the Recipient shall:

(i) carry out the Project in accordance with the Project implementation manual entitled “Projet d’Urgence d’Appui à l’Alimentation du Bétail au Burkina Faso (PUAAB) - Manuel d’Exécution” and dated November 14, 2012 (“Project Implementation Manual”); and (ii) not amend, suspend or waive any provision of the Project Implementation Manual, without the prior written agreement of the World Bank. Notwithstanding the foregoing, in the event of any inconsistency between any provision of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
2.03. **Project Institutional and Implementation Arrangements.**

(a) **Institutional.** The Recipient shall:

(i) at all times throughout Project implementation maintain a steering committee ("Steering Committee"), chaired by the General Secretary of the Ministry of Agriculture and Hydraulics, and with membership and terms of reference satisfactory to the World Bank, to provide strategic oversight for the Project;

(ii) at all times throughout Project implementation assign competent staff in adequate numbers to the Project; and to this end, not later than three (3) months after the Effectiveness Date, engage: (A) a procurement specialist; and (B) an accountant; both in accordance with the provisions of Section 2.05 of this Annex, whose qualifications, experience and terms and conditions of employment shall be satisfactory to the World Bank.

(b) **Safeguards Instruments.** The Recipient shall ensure that the Project is carried out in accordance with the Safeguards Frameworks. To that end, the Recipient shall take the following measures:

(i) **Environmental Assessment.** If any activities included in a proposed Annual Work Program (as defined in paragraph (c) of this Section 2.03) would, pursuant to the ESMF, require the carrying out of an environmental and social impact assessment, no such activities shall be implemented unless and until: (A) such assessment for such activities has been: (1) prepared, in accordance with the ESMF and furnished to the World Bank as part of the Annual Work Program; (2) disclosed locally as required by the ESMF; and (3) approved by the World Bank and publicly disclosed ("ESIA"); and (B) if said ESIA would require the preparation of an environmental management plan, such plan has been: (1) prepared in accordance with such assessment and furnished to the World Bank as part of the Annual Work Program; (2) disclosed locally as required by the ESMF; and (3) approved by the World Bank and publicly disclosed ("ESMP").

(c) **Annual Work Programs**

(i) The Recipient shall, not later than November 30 in each calendar year, prepare and furnish to the World Bank, a program of activities proposed for inclusion in the Project during the following calendar year, including each Safeguard Instrument required for any such activities pursuant to paragraph (b) of this Section 2.03 and the measures proposed to be carried out under such Safeguard Instrument.

(ii) The Recipient shall exchange views with the World Bank on each such proposed annual work program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the World Bank ("Annual Work Program").

(iii) Only those activities which are included in an Annual Work Program shall be included in the Project.

(d) **Livestock Inputs.** In order to ensure the proper implementation of Part A of the Project, the Recipient shall:
(i) ensure that the distribution of livestock inputs under said Part is overseen in accordance with the Project Implementation Manual by the regional chambers of agriculture ("Chambres Régionales de l'Agriculture") within the Recipient's ministry responsible for agriculture and having jurisdiction of the communities of the farmers receiving the inputs.

(ii) not later than four (4) months after the Effectiveness Date, engage an entity, in accordance with the provisions of Section 2.05 of this Annex, whose qualifications, experience and terms and conditions of employment shall be satisfactory to the World Bank, to be responsible for: (A) selecting farmers who will receive livestock inputs, in accordance with the criteria and procedures set forth in the Project Implementation Manual; and (B) ensuring that the price of the inputs payable by the farmers is established and charged in accordance with the criteria and procedures set forth in the Project Implementation Manual.

(e) Livestock Feed Shredders. In order to ensure the proper implementation of Part B of the Project, the Recipient shall: (i) distribute the livestock feed shredders included in said Part to the village development councils ("Conseils Villageois de Développement") of the vulnerable communities; (ii) ensure the selection of the shredder operator; and (iii) ensure the maintenance and replacement of the feed shredders; all in accordance with the Project Implementation Manual.

2.04. Financial Management.

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

(b) 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 semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) 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 audit of the Financial Statements shall cover the period of one (1) 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.

2.05. Procurement

(a) General. 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:

(i) 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, works and non-consulting services; and

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines"), in the case of consultants' services; and
(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

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

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

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

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, subject to the following additional provisions: the Association's standard bidding documents, or other bidding documents approved by the Association prior to their use, shall be used; (B) Shopping; and (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

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

(ii) The following methods may be used for the procurement of consultants’ services for those assignments 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) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures.

(a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance
Eligible Expenditures as set forth in the following table. The table specifies 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, services, Training and Operating Costs (See the Attachment to this Annex for details)</td>
<td>2,850,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,850,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) For the purposes of this Section the following terms have the meanings ascribed to them as follows:

(i) “Training” means training conducted in the territory of the Recipient, including purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees; and

(ii) “Operating Costs” means operating costs required for the Project including consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

Article IV
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.
5.02. **Recipient's Address.** 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: SEGEGOUV  
Telex: 5555  
Facsimile: 226-50-31-27-15

5.03. **World Bank's Address.** 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: INDEVSAS  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391
<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td>$352,000</td>
</tr>
<tr>
<td>Training</td>
<td>$246,200</td>
</tr>
<tr>
<td>Goods</td>
<td>$2,070,000</td>
</tr>
<tr>
<td>Works</td>
<td>$100,000</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$81,800</td>
</tr>
</tbody>
</table>

**Total Project Cost by Expenditure Category:** $2,850,000