



February 8, 2023

H. E. Aboubakar NACANABO  
Minister of Economy, Finance and Forecasting  
Ministry of Economy, Finance and Forecasting  
03 B.P. 7008 Ouagadougou 03  
Burkina Faso

**Re: Advance Agreement for Preparation of Proposed Secondary Cities Urban  
Mobility and Development Project**

**Project Preparation Advance No. V4640**

Excellency:

In response to the request for financial assistance made on behalf of Burkina Faso (“Recipient”), I am pleased to inform you that the International Development Association (“Bank”) proposes to extend to the Recipient an advance out of the Bank’s Project Preparation Facility in an amount not to exceed two million Dollars (\$2,000,000) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to enhance safe and climate-resilient accessibility to basic services and economic opportunities of the population, including IDPs, of selected secondary cities in the Recipient’s territory (“Project”), for the carrying out of which the Recipient has requested the Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn



**Article I**  
**Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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

- (a) "Anti-Corruption Guidelines" means, for purposes of paragraph 11 of the Appendix to the Standard 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, and as of July 1, 2016.
- (b) "Category" means a category set forth in the table in Section 3.01 of this Agreement.
- (c) "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated [insert date of ESCP], as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- (d) "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social

Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.

- (e) “Operating Costs” means the incremental operating expenditures incurred by the Recipient or the Implementing Entity on account of the implementation of the Activities, management, monitoring and evaluation, including office supplies, vehicles operation and maintenance cost, vehicle rental and fuel costs; maintenance of equipment, communication costs, office rental and moving expenses, utilities expenses, consumables, printing and publication costs, bank charges, transport and accommodation, *per diem*, and salaries of locally contracted support staff (excluding the salaries of Recipient’s civil servants) and other miscellaneous costs directly associated with the implementation of the Activities as shall be agreed with the Bank.
- (f) “PCU-PUDTR” means the Recipient’s coordination unit established pursuant to *Arrêté* No. 2021-000232/MINEFID/SG/DGESS dated April 23, 2021.
- (g) “Procurement Regulations” means, for purposes of paragraph 50 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (h) “Standard Conditions” means the “Standard Conditions for Advances Made by the Bank under its Project Preparation Facility”, dated August 1, 2022.
- (i) “Work Plan and Budget” means the work plan and budget for the implementation of the Activities, referred to in paragraph 2.03. 2. of this Annex.

## Article II Execution of the Activities

2.01. *Description of the Activities.* The Activities for which the Advance is provided consist of the following parts:

Provision of technical assistance for:

- (a) the preparation of: (i) urban mobility diagnostic studies of the cities of Bobo-Dioulasso and Kaya; (ii) urban diagnosis and impact studies of Internally Displaced People (IDPs) on basic infrastructure (education, health, water, hygiene), economic infrastructure and identification of investments and income-generating activities in the city of Kaya; (iii) mapping of actors involved in secondary cities such as Bobo, Kaya and Ouahigouya; (iv) technico-economic studies (including preliminary engineering design, details engineering design and bidding documents) for the construction of the bypass road; (v) technical studies for the priority/emergency phase of the improvement of the drainage network in the cities

of Bobo Dioulasso, Kaya; (vi) the city of Kaya's waste management strategy update and identification of key investments; (vii) the relevant Environmental and Social Standards documents for the Project; (viii) a procurement strategy for the Project; (ix) a road safety audit; and (x) the implementation manual for the Project; and (xi) the recruitment of consultants for procurement support to the PCU-PUDTR.

2.02. *Execution of the Activities Generally.* The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the PCU-PUDTR in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the Anti-Corruption Guidelines.

2.03. *Institutional and Other Arrangements.*

1. *PCU-PUDTR*

Without limitation upon the provisions of Section 2.02 above, the Recipient shall, throughout the Refinancing Date, ensure that the PCU-PUDTR is maintained with structure, functions and resources acceptable to the Bank and with competent staff in adequate numbers with qualifications and experience satisfactory to the Bank to be responsible for the overall implementation of the Activities, including financial management, procurement, and monitoring and evaluation.

2. *Work Plan and Budget*

- (a) The Recipient shall prepare a draft annual work plan and budget for the Project (including Operating Costs) of such scope and detail as the Bank shall have reasonably requested (Work Plan and Budget).
- (b) The Recipient shall furnish to the Bank, as soon as available, but in any case not later than 30 days after the signature of the Advance, or such later date as agreed with the Bank in writing, the Work Plan and Budget. Only the activities included in an Work Plan and Budget expressly approved by the Bank are eligible to a financing from the proceeds of the Advance.
- (c) The Recipient shall ensure that the Project is carried out in accordance with the work plan and budget.

2.04. *Environmental and Social Standards.*

- (a) The Recipient shall ensure that the Activities are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Activities are implemented in accordance with the Environmental and Social

Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

- (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
  - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
- (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Activities which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Activities-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall ensure that each Activity Report is furnished to the Bank not later than forty five (45) days after each calendar quarter, covering the calendar quarter.

**Article III  
Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section, to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Advance Allocated (expressed in Dollars)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Non-consulting services, consulting services and Operating Costs under the Activities	2,000,000	100%
<b>TOTAL AMOUNT</b>	2,000,000	

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

3.03. **Refinancing Date.** The Refinancing Date is December 20, 2023.

**Article IV  
Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then:

- (i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and
- (ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

## **Article V**

### **Recipient's Representative; Addresses**

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

5.02. *Recipient's Address.* For purposes of Section 9.01 of the Standard Conditions: (a) the Recipient's Address is:

Ministry for Economy, Finance and Development  
395 Avenue du 11 Decembre  
01 B.P. 7008  
Ouagadougou 01 Burkina Faso



(b) the Recipient's Electronic Address is:

info@dgep.gov.bf

Telex:

Facsimile:

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5.03. **Bank's Address.** For purposes of Section 9.01 of the Standard Conditions: (a) the Bank's Address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

[E-mail:]

248423 (MCI) or  
64145 (MCI)

1-202-477-6391

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