

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5671-BF

Financing Agreement

(Regional Trade Facilitation and Competitiveness Development Policy Credit)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 8, 2015

CREDIT NUMBER 5671-BF

FINANCING AGREEMENT

AGREEMENT dated July 8, 2015, entered into between BURKINA FASO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing financing in support of the Joint Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (a) the actions which the Recipient and the Partner (Republic of Cote d’Ivoire) have already taken under the Joint Program and which are described in Section I of Schedule 1 to this Agreement; and (b) the Recipient’s and the Partner’s respective maintenance of an adequate macroeconomic policy framework in their respective countries. The Recipient and the Association therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS; REGIONAL NATURE

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 General Conditions or in the Appendix to this Agreement.
- 1.03. The Recipient acknowledges and agrees that this Financing is being provided as part of a regional Joint Program to be implemented in coordination with complementary financing from the Association to the Partner under a joint Letter of Development Policy.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount of forty-four million seven hundred thousand Euro (EUR 44,700,000) (variously, “Credit” and “Financing”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in support of the Joint Program in accordance with Section II of Schedule 1 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment; and (b) three-fourths of one percent (3/4 of 1%) per annum.
- 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 2 to this Agreement.
- 2.07. The Payment Currency is Euro.

ARTICLE III — JOINT PROGRAM

- 3.01. The Recipient declares its commitment to the Joint Program and the implementation of its part of the Joint Program. To this end:
 - (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out its part of the Joint Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out its part of the Joint Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Joint Program or any action taken under the Joint Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) A situation has arisen which shall make it improbable that the Joint Program, or a significant part of it, will be carried out.
 - (b) An action has been taken or a policy has been adopted by the Recipient to reverse any action or policy under the Joint Program, including any action listed under Section I of Schedule 1 to this Agreement, in a manner that would, in the opinion of the Association, adversely affect the achievement of the objectives of the Joint Program.

- (c) The Association has suspended in whole or in part the right of the Partner to make withdrawals under the Partner Financing Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following:
 - (a) The Association is satisfied with the progress achieved by both the Recipient and the Partner in carrying out the Joint Program and with the adequacy of the Recipient's and Partner's respective macroeconomic policy frameworks; and
 - (b) The Partner Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Partner to make withdrawals under it, other than effectiveness of this Agreement, have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister at the time responsible for finance.
- 6.02. The Recipient's Address is:

Ministry of Economy and Finance
Ministère de l'Economie et des Finances
03 BP 7050
Ouagadougou 03,
Burkina Faso

Cable:	Facsimile:
SEGEGOUV	226-25-31-27-15

6.03. The Association's Address is:

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

Cable:

Facsimile:

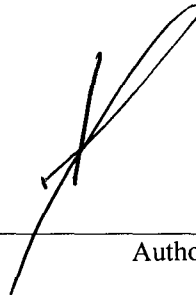
INDEVAS
Washington, D.C.

1-202-477-6391

AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

BURKINA FASO

By



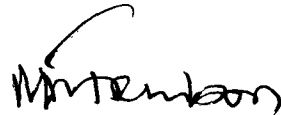
Authorized Representative

Name: Jean Gustave Sanon

Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Mercy M. Tembon

Title: Country Manager for Burkina Faso

SCHEDULE 1

Joint Program Actions; Availability of Financing Proceeds

Section I. Actions under the Joint Program

- A. Actions Taken Under the Joint Program.** The actions taken by the Recipient under the Joint Program include the following:
1. The Recipient has taken regulatory measures to redefine the criteria for access to the profession of commercial and own-account road freight transport operator (with a limited-duration transition period) following best international practices adapted to the local context.
 2. The Recipient has entered into an agreement (*protocole d'accord*) with the Republic of Cote d'Ivoire to establish a joint technical committee for purposes of renegotiating their "Protocole d'Accord de cooperation en matiere de transports routiers" dated July 27, 1999.
 3. The Recipient has adopted a Ministerial Order for the preparation and maintenance of a trade information web portal (TIW).
 4. The Recipient's Custom Administration has established an automated and operational database on traders' risk profiles.
 5. The Recipient's Customs Administration has entered into an agreement (*protocole d'accord*) with the Republic of Cote d'Ivoire Customs Administration regarding details for the interconnection of their respective customs information systems reflecting conclusions from a study phase.
 6. The Recipient's Chamber of Commerce has entered into an agreement (*protocole d'accord*) with the Republic of Cote d'Ivoire Chamber of Commerce to allow single payment of the ISRT Transit Guarantee.
 7. The Recipient's Ministry of Economy and Finance has adopted a Ministerial Order authorizing the Recipient's Customs Administration to suspend the collection of the ISRT Transit Guarantee at the Niangoloko border post at the border of the Republic of Cote d'Ivoire.

Section II. Availability of Financing Proceeds

A. General. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.

B. Allocation of Financing Amounts. The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in Euro)
Single Withdrawal Tranche	44,700,000
TOTAL AMOUNT	44,700,000

C. Withdrawal Tranche Release Conditions. No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied with: (a) the Joint Program being carried out by the Recipient and the Partner; and (b) the adequacy of the Recipient's and the Partner's respective macroeconomic policy frameworks.

D. Deposits of Financing Amounts. Except as the Association may otherwise agree:

1. all withdrawals from the Financing Account shall be deposited by the Association into an account designated by the Recipient and acceptable to the Association; and
2. the Recipient shall ensure that upon each deposit of an amount of the Financing into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.

E. Excluded Expenditures. The Recipient undertakes that the proceeds of the Financing shall not be used to finance Excluded Expenditures. If the Association determines at any time that an amount of the Financing was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the Association, refund an amount equal to the amount of such payment to the Association. Amounts refunded to the Association upon such request shall be cancelled.

F. Closing Date. The Closing Date is December 31, 2015.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1, commencing October 1, 2021, to and including April 1, 2053	1.5625%

* The percentage represents the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. "Basis Adjustment" means the Association's standard basis adjustment 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.
2. "Excluded Expenditure" means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges),

		non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
 - (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;
 - (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.
3. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
 4. "ISRT Transit Guarantee" means the transit guarantee specified in the ECOWAS Interstate Road Transit Convention A/P4/82 of May 29, 1982, as supplemented.
 5. "Joint Letter of Development Policy" means the letter dated April 17, 2015, from the Recipient together with the Partner to the Association, in joint support of the Joint Program under their respective financing agreements with the Association,

declaring the Recipient's and the Partner's shared commitment to the execution of the Joint Program, and jointly requesting assistance from the Association in support of the Joint Program during its execution.

6. "Joint Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the Joint Letter of Development Policy.
7. "Ministerial Order" means a legal instrument set forth in the Recipient's constitution, namely an *arrêté ministériel ou interministériel* issued by individual Ministers or several Ministers acting jointly, each in their own capacity.
8. "Partner" means the Republic of Cote d'Ivoire, the other recipient of financing from the Association for the Joint Program.
9. "Partner Financing Agreement" means the financing agreement entered into by the Partner with the Association as part of the Joint Program.
10. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.
2. Sections 2.04 (*Designated Accounts*) and 2.05 (*Eligible Expenditures*) are deleted in their entirety, and the subsequent Sections in Article II are renumbered accordingly.
3. Sections 4.01 (*Project Execution Generally*), and 4.09 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article IV are renumbered accordingly.
4. Paragraph (a) of Section 4.05 (renumbered as such pursuant to paragraph 3 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.
5. Paragraph (c) of Section 4.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

"Section 4.06. *Plans; Documents; Records*

... (c) The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Financing until two years after the Closing Date. The Recipient shall enable the Association's representatives to examine such records."

6. Paragraph (c) of Section 4.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

"Section 4.07. Program Monitoring and Evaluation

... (c) The Recipient shall prepare, or cause to be prepared, and furnish to the Association not later than six months after the Closing Date, a report of such scope and in such detail as the Association shall reasonably request, on the execution of its part of the Joint Program, the performance by the Recipient and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing."

7. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"'Eligible Expenditure' means any use to which the Financing is put in support of the Joint Program, other than to finance expenditures excluded pursuant to the Financing Agreement."

- (b) The term "Financial Statements" and its definition as set forth in the Appendix are deleted in their entirety.

- (c) The definition of the term "Legal Agreement" is modified to read as follows:

"'Legal Agreement' means this Financing Agreement or the Partner Financing Agreement; and 'Legal Agreements' means collectively both said agreements."

- (d) The term "Project" is modified to read "Joint Program" and its definition is modified to read as follows:

"'Joint Program' means the program referred to in the Financing Agreement in support of which the Financing is made." All references to

“Project” throughout these General Conditions are deemed to be references to “Joint Program”.”