

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

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**CONFORMED COPY**

July 8, 2010

H. E. Mr. Lucien Marie Noel BEMBAMBA  
Minister of Economy and Finance  
Ministère de l'Économie et des Finances  
03 BP 7050, Ouagadougou 03  
Burkina Faso

*BURKINA FASO: Administration Capacity Building Project  
(Grant No. H 151-BUR) Amendment to the Development Grant Agreement*

Excellency:

We refer to: (a) the Development Grant Agreement no. H 151-BUR (the Agreement) for the financing of the Administration Capacity Building Project, dated March 29, 2005, between Burkina Faso (the Recipient) and the International Development Association (the Association); and (b) your letter dated March 6, 2009 requesting the Association to amend the Agreement.

We are pleased to inform you that the Association agrees to your request and proposes to amend the Agreement as follows:

- a. In Section 1.02 of the Agreement, the definition of “Eligible Categories” is hereby amended to read as follows:

“(c) “Eligible Categories” means collectively Categories (1) to (4) and Category (6) set forth in the table in Part A.1 of Schedule 1 to this Agreement;”

- b. In Section 1.02 of the Agreement, the following definition is added in alphabetical order and the following definitions are renumbered accordingly:

“(s) “Regions” means collectively the Regions on the Recipient’s territory established by Law No. 55.2004/AN dated December 21, 2004, and “Regional” as a corresponding meaning.

- c. In Section 3.03 of the Agreement paragraphs (c) and (d) are hereby amended to read as follows:

“(c) on January 1, 2006, and the first day of each calendar quarter thereafter until completion of the Project, deposit in the Project Account the amount required to finance the operating costs and other activities relevant to the Project for the next quarterly period, as reflected in the Annual Work Plans and Budgets referred to in Section 2, Part A of Schedule 4 to the Agreement, for an aggregate annual amount approximately equivalent to one (1) million Dollars of the United States of America; and

(d) ensure that funds deposited into the Project Account in accordance with paragraphs (b) and (c) shall be used exclusively to finance expenditures reflected in the Annual Work Plans and Budgets.”

- d. In Schedule 1 to the Agreement, the table in Part (A), paragraph 1 is hereby deleted in its entirety and replaced by the following table:

<b>Category</b>	<b>Amount of the Grant Allocated (Expressed in SDR Equivalent)</b>	<b>% of Expenditures to be Financed</b>
(1) Goods and Equipment until March 4, 2010	432,000	100%
(2) Consultants' services and audits until March 4, 2010	1,682,000	100%
(3) Training and Workshops until March 4, 2010	639,000	100%
(4) Refunding of Project Preparation Advance	116,000	Amount due pursuant to Section 2.02 (b) of this Agreement
(5) Unallocated	0	
(6) Goods and Consultants' Services including training, workshops and audits for the Project incurred since March 5, 2010	1,731,000	100%
<b>TOTAL</b>	<b>4,600,000</b>	

- e. Schedule 2 to the Agreement is deleted in its entirety and replaced by the New Schedule 2 attached to this Agreement as Annex 1.

- f. In Schedule 4 to the Agreement, Part (A) of Section 1 is amended to read as follows:

“A. The Recipient shall establish and maintain until Project completion the Project Coordination Unit within the SGPM. The PCU, under the supervision of the SGPM Permanent Secretary, shall be responsible for the overall coordination of the Project (to ensure consistency among the activities of each Participating Ministry) and the monitoring and evaluation of the Project's outcomes. The Recipient shall appoint and retain until completion of the Project within the PCU: (i) a full time Project Administrator, who shall ensure coordination among Participating Ministries, with national budget and with key stakeholders, (ii) a Procurement Specialist, who shall have the overall responsibilities of all procurement activities for the Project, including those handled directly by each Participating Ministry's Financial and Administrative Direction or Planning and Studies Direction, (iii) a Chief Accountant, who shall have the overall responsibility of all financial management activities for the Project, and coach and assist the Participating Ministries in their budgeting and financing activities, (iv) an accountant, and (v) a part time monitoring and evaluation specialist.”

- g. In Schedule 4 to the Agreement, Part (A) of Section 2 is amended to read as follows:

“A. Annual Work Plans and Budget

The Recipient shall furnish to the Association, as soon as available, but in any case no later than November 15 of each year, the Annual Work Plan and the Annual Budget for each subsequent calendar year, in form and substance satisfactory to the Association, except for the Annual Work Plan and the Annual Budget for the first year, which shall be furnished no later than the date set out in Section 5.02 of this Agreement.”

- h. Schedule 5 to the Agreement is deleted in its entirety and replaced by the New Schedule 5 attached to this Agreement, as Annex 2.

All provisions of the Agreement which are not expressly modified in accordance with this Letter Amendment remain unchanged.

Please indicate your agreement with the foregoing, by countersigning and dating the two original copies of this letter and returning one countersigned original copy to the Association. Upon receipt by the Association of said original copy countersigned by the authorized representative of the Recipient and dated, this amendment shall become effective as of the date of countersignature of this letter.

Sincerely,

/s/ Madani M. Tall  
Country Director for Burkina Faso  
Africa Region

CONFIRMED:

BURKINA FASO

By: /s/ Lucien Marie Noel Bembamba  
Authorized Representative

Date: July 8, 2010

**ANNEX 1****NEW SCHEDULE 2****Description of the Project**

The objectives of the Project are (i) to strengthen the Recipient's central government resource management capacity, and (ii) to enhance the Recipient's capacity in the planning, organization and monitoring of the implementation of the decentralization process.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objective:

Part 1: Strengthening Central Government Efficiency and Controls.

Strengthening central government efficiency and controls, by:

- (a) Strengthening the capacity of selected Recipient's ministries to undertake longer term planning and evaluation of policies;
- (b) Improving deconcentration of human resource management, including through the development of information technology tools; and
- (c) Improving the pay management system through the delegation of the processing of pay changes to the Regions.

Part 2. Strengthening Policy Formulation, Coordination and Monitoring in Key Recipient's Ministries Responsible for Decentralization.

Strengthening the Recipient's capacity to develop a decentralization road map and a medium term (three to five year) decentralization implementation plan, including through:

- (a) Support to the definition of policies and procedures to implement decentralization; and
- (b) Support to planning, allocation of responsibilities and costing of activities in terms of both human and financial resources.

Part 3. Supporting Project Management.

Supporting Project management, including inter alia, the operation of the PCU.

\* \* \*

The Project is expected to be completed by August 31, 2010.

**ANNEX 2**

**NEW SCHEDULE 5**

**Performance Indicators**

For the purpose of this Agreement, the performance indicators to be used for the Project implementation are as follows:

**Improved resource management**

- (i) Time needed by the Recipient's line ministries for processing human resources decisions compared to the time previously taken for this processing by the Recipient's ministry responsible for civil service;
- (ii) Time needed to modify payroll data by the Regional directorates of the Recipient's ministry of finance, compared to the time taken to make the same modifications at the central level; and

**Improved monitoring and decentralization**

- (iii) Design of a decentralization implementation road map including the estimation of the human and financial resources required for this implementation.