S.E. Lucien Marie Noel Bembamba  
Ministre de l'Economie et des Finances  
Ministère de l'Économie et des Finances  
03 BP 7050  
Ouagadougou 03  
Burkina Faso  

Re: Burkina Faso  
IDF Grant for Implementing Anti-Money Laundering Project  
IDF Grant No. TF012464

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 Bank for Reconstruction and Development (“World Bank”) proposes to extend to the Recipient, a grant from the World Bank’s Institutional Development Fund (“IDF”) in an amount not to exceed four hundred ninety-five thousand six hundred fifty United States Dollars (U.S.$495,650) (“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”).

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 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 World 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Madani M. Tall
Country Director for Benin, Burkina Faso, Côte d’Ivoire, Togo Africa Region

AGREED:
BURKINA FASO

By [Signature]
Authorized Representative

Name: Lucien Marie Noel BEMBAMBA
Title: Minister of Economy and Finance
Date: 18 SEP. 2012

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

1.01. Project Objectives and Description. The objective of the Project is to improve the reporting, analysis and investigation of suspicious transaction reports ("STRs") by key private sector and public agencies involved in anti-money laundering ("AML") in the Recipient’s territory. The Project consists of the following parts:

(a) Capacity Building.

(i) Development and installation of: (A) a suitable security system designed to ensure controlled access to the offices of the Recipient’s financial intelligence unit (Cellule Nationale pour le Traitement des Informations Financières or "CENTIF"); and (B) a robust and secure internal information system designed to preserve the integrity and ensure confidentiality of information collected by CENTIF; and provision of training and goods required for the purpose.

(ii) (A) Installation of an upgraded internal system for the processing of STRs received by CENTIF; (B) strengthening of CENTIF’s procedures for the analysis of said STRs through the development of a procedures manual; and (C) provision of training in said system and procedures.

(iii) Development and implementation of a training program in analysis of STRs for the staff of the CENTIF, said program to include training of trainers.

(b) Compliance.

Carrying out of a program to improve the capacity of: (i) selected financial and non-financial entities operating the Recipient’s territory to implement internal measures to prevent and detect money laundering ("ML") and report on STRs; and (ii) the Recipient’s supervisory agencies to monitor proper compliance by the private sector with the Recipient’s legal framework for AML; said program to consist of:

(i) development of international good practice guidelines for selected non-financial entities (gold traders and non-profit organizations) on compliance with requirements relating to "know your customer", customer due diligence, monitoring, record
keeping, internal control and reporting of STRs; and dissemination, and provision of training in the application, of said guidelines.

(ii) development of an AML supervision strategy by the Recipient’s ministries in charge of ensuring compliance by the non-financial entities referred to above in sub-paragraph (i) of this paragraph (b) and by financial institutions (including micro-finance institutions, foreign exchange bureaus, and money remitters) with the Recipient’s legal framework on AML, including preparation and dissemination of a procedures manual and provision of training in the application of said manual.

(c) **Judiciary.**

Design and implementation of a program designed to enhance the capacity of the Recipient’s judiciary to handle suspected cases of ML, said program to consist of:

(i) development of a strategy designed to enhance specialized knowledge of AML issues and legal requirements on the part of judicial officers, and improve judicial handling of cases of suspected ML, including carrying out of a stocktaking exercise, sharing of international best practices, and development of an action plan which identifies and evaluates legislative requirements, human resource, technical, logistical and training needs, and provides recommendations for meeting said needs.

(ii) carrying out of selected elements of the action plan prepared under sub-paragraph (i) of this paragraph (c) and endorsed by the Recipient, including development of a suitable legal and regulatory framework for judicial handling of cases of suspected ML.

(iii) development and implementation of a training program for law enforcement officials, including judges, in investigation and management of cases of suspected ML, said program to include training in legal and procedural aspects, analysis of financial documents, appropriate investigative techniques, asset forfeiture and cooperation with other domestic and international agencies involved in handling cases of suspected ML and developing strategies for complex investigations (but excluding technical assistance in the handling of actual cases), and provision of study tours for the purpose.

(d) **Asset Disclosure.**

(i) Carrying out of an assessment of the Recipient’s system of financial disclosure by its officials of their assets and business interests to identify gaps in the efficient and effective function of said system and to evaluate and recommend measures to address said gaps.

(ii) Development and implementation of a program of training for members and staff of the Recipient’s constitutional council (Conseil Constitutionnel) in the Recipient’s financial disclosure system referred to above in sub-paragraph (i) of this paragraph (d).
2.03. Institutional and Other Arrangements.

(a) For purposes of the Project, the Recipient shall at all times maintain a steering committee with membership, functions and resources acceptable to the World Bank, to be responsible for coordinating and providing policy guidance on the implementation of the Project.

(b) Without limitation on the foregoing, the Steering Committee shall at all times be comprised of director level representatives of CENTIF, the Recipient’s ministries responsible for finance, justice and interior and the Recipient’s constitutional council.

2.04. Project Monitoring, Reporting and Evaluation.

(a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, 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 five (5) months after the Closing Date.

2.05. 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 45 days after the end of each semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements 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.

2.36. **Procurement**

(a) **General.** All goods, 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 and non-consulting services;

(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.**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the following additional requirement: the World Bank’s standard bidding documents, or other bidding documents approved by the World Bank prior to their use, shall be used.

(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (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) Least
Cost Selection; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) 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**

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 table set forth in paragraph (b) of this Section.

(b) The table set forth below 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</td>
<td>57,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' services (including audits)</td>
<td>327,553</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>111,097</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>495,650</strong></td>
<td></td>
</tr>
</tbody>
</table>

(c) For the purposes of this Section 3.01, the term “Training” means the reasonable costs, approved by the World Bank, for expenditures associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.
2.02. **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.

2.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.

4.02. **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

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: *INTBAFRAD*  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391