H. E. Domitien Ndihozubuwoy
Minister of Finance, Budget and Development Planning
Bujumbura
Republic of Burundi

Re: Republic of Burundi: Advance Agreement for the Preparation of
the Proposed North East Region Refugee and Host Community
Support Project
Project Preparation Advance No. V286

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Burundi
("Recipient"), I am pleased to inform you that the International Development Association
("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project
Preparation Facility in an amount not to exceed six hundred eighty five thousand one hundred fifty
Dollars ($685,150) ("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 improve nutrition, access to basic services and economic
opportunities in the targeted areas ("Project"), for the carrying out of which the Recipient has
requested the World 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 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

1818 H Street NW - Washington, DC 20433 USA
shall be deemed withdrawn if the World Bank has not received this countersigned copy within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Jean-Christophe Carret
Country Director for Burundi
Africa Region

AGREED:
REPUBLIC OF BURUNDI

By

Authorized Representative

Name: Dr. Agathe NAMTOU MBAYO
Title: Ministre de l'Économie
Date: 10/09/2018

Enclosures:

(1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with “Disbursement Guidelines for Investment Project Financing”, dated February 2017.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010 (“Standard Conditions”), 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 Agreement, and the following additional terms shall have the following meanings:

(a) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the World Bank, dated September 10, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Activities, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.

(b) “Environmental and Social Framework” or the acronym “ESF” means the World Bank framework that sets out the World Bank’s commitment to sustainable development through a World Bank policy and a set of environmental and social standards.

(c) “Environmental and Social Management Framework” means the framework to be prepared by the Recipient that sets out the principles, rules, guidelines and procedures to assess Projects’ environmental and social risks and impacts.


(e) “Implementation Unit” means the unit established within the Recipient’s ministry in charge of agriculture for the purpose of the IDA-financed Agro-Pastoral Productivity and Markets project – Grant H562-B1 - dated September 22, 2010.
(f) "Indigenous Peoples Plan" means a plan to be prepared by the Recipient that includes measures for legal recognition of land ownership, occupation, or usage with the due respect to customs, traditions and land tenure systems of the Indigenous Peoples.

(g) "Inter-Ministerial Committee" means the committee which includes representatives of the Recipient's ministries in charge of finance, agriculture, education and health and representatives of office of the 1st and 2nd vice presidencies, led by the Recipient's ministry in charge of interior which will guide the Implementation unit throughout the implementation of the Activities.

(h) "Labor Management Procedures" means procedures that set out the way in which Project workers will be managed to be prepared by the Recipient, in accordance with the requirements of national law and the World Bank ESS.

(i) "Operating Costs" means the incremental operating expenses incurred on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment; office supplies, additional staff costs, travel and supervision costs, per diem, but excluding the salaries and indemnities of officials and public servants of the Recipient's civil service.

(j) "Pest Management Plan" means an instrument to be prepared by the Recipient for any Project's components involving significant pest management issues or that may lead to significant pest and pesticide management issues.

(k) "Resettlement Policy Framework" means a framework to be prepared by the Recipient that sets out resettlement principles, organizational arrangement and design criteria where the likely nature or magnitude of land acquisition or restriction on land use related to the Project with potential to cause physical and/or economic displacement is unknown during Project preparation.

(l) "Social Assessment" means an assessment to be undertaken by the Recipient to assess the social risks and impacts of the Project throughout the Project life cycle.

(m) "Stakeholder Engagement Plan" means an inclusive process to be conducted throughout the Project life cycle to support the development of strong, constructive and responsive relationships for a successful management of the Project's environmental and social risks.

(n) "Training" means the reasonable costs associated with training and workshops (other than for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.

**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:

(a) Staffing and operating costs of the Implementation Unit and the Inter-Ministerial Committee, including consultations with key stakeholders.
(b) Acquisition of goods for the purpose of Project preparation.

(c) Carrying out of training related to the Project environmental and social framework.

(d) Technical assistance in carrying out an assessment and the preparation of the Project’s ESF instruments, including an Environmental and Social Management Framework, a Resettlement Policy Framework, a Pest Management Plan, an Indigenous Peoples Plan, a Stakeholder Engagement Plan, Labor Management Procedures and a Social Assessment.

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 an Implementation Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. **Institutional and Other Arrangements.** Without limitation upon the provisions of Section 2.02 above, the Recipient shall maintain, throughout the Refinancing Date, the Implementation Unit with functions and resources acceptable to the World Bank with staff in adequate numbers and with qualifications and experience satisfactory to the World Bank to be responsible for the day-to-day management of the Activities, including financial management and procurement.

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 World 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, and as further specified in the ESCP;

(ii) sufficient funds are available to cover the costs of implementing the ESCP;

(iii) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

(iv) the ESCP or any provision thereof, is not amended, revised or waived, except as the World Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
(c) The Recipient shall:

(i) take all measures necessary on its part to collect, compile, and furnish to the World Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the World Bank, information on the status of compliance with the ESCP; all such reports in form and substance acceptable to the World 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) promptly notify the World Bank 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 instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the World Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Activities, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the World Bank.

2.05. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such
period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. Procurement

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated August 27, 2019 (“Procurement Plan”) provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

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; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities</td>
<td>685,150</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>685,150</td>
<td></td>
</tr>
</tbody>
</table>

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 June 19, 2020.

Article IV
Terms of the Advance
4.01. **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 paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement.** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**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.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance and Economic Development Planning  
P. O. Box 1830  
Bujumbura  
Burundi  

Telex: Facsimile:

5135 257-22-22-27-75

MINIFINBDI

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

Telex: Facsimile:

248423 (MCI) or (1)-202-477-6391  
64145 (MCI)