Financing Agreement

(Agro-Pastoral Productivity and Markets Development Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 22, 2010
FINANCING AGREEMENT

AGREEMENT dated September 22, 2010, entered into between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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.

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 grant in an amount equivalent to twenty eight million one hundred thousand Special Drawing Rights (SDR 28,100,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 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 Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has prepared and adopted the PIM in accordance with the provisions of Section I, Part B of Schedule 2 to this Agreement.

(b) The Recipient has entered into the following contracts, in form and substance satisfactory to the Association, for the Project:

(1) with the following staff from the PRASAB’s project coordination unit: (i) the Project coordinator; (ii) the administrative and financial officer; (iii) the senior accountant; (iv) the procurement specialist; (v) the monitoring and evaluation officer; (vi) the capacity building specialist; (vii) the irrigation and infrastructure specialist; and (viii) the agriculture and livestock specialist;

(2) and with the following staff from each of the PRASAB’s interprovincial project coordination units: (i) the coordinator; (ii) the monitoring and evaluation officer; and (iii) the agriculture and livestock specialist.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the minister at the time responsible for finance.

5.02. The Recipient’s Address is:

Ministry of Finance
P. O. Box 1830
Bujumbura
Republic of Burundi

Facsimile:
+257-22-223-827

5.03. The Association’s Address is:

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

Cable:      Telex:      Facsimile:
INDEVAS     248423 (MCI)   +1-202-477-6391
Washington, D.C.
AGREED at Bujumbura, Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By //s// Clotilde Nizigama

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Mercy Miyang Tembon

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase small producers’ productivity and market access for Targeted Commodities in the Project Area.

The Project consists of the following parts:

Part A: Agricultural Productivity and Access to Markets

1. Investments

Carrying out, through the provision of Matching Grants, of specific development projects to improve agricultural productivity and access to markets in the Project Area, such projects to focus on (i) production of Targeted Commodities, (ii) post-harvest collection, storage, transformation, processing and marketing of Targeted Commodities; and (iii) watershed management.

2. Capacity Building; Institutional Support; Market Access Facilitation

(a) Carrying out of a program to build the capacity of Beneficiaries to develop and implement development projects referred to in Part A.1 of the Project and support the organization of the Targeted Value Chains, such program to include training.

(b) Carrying out of a program to build the capacity of public institutions that support Beneficiaries, in areas of agricultural research and extension, seed certification, agricultural promotion, monitoring and evaluation, veterinary services, animal disease prevention and pest control, trade standards, and to strengthen partnerships between such institutions and regional and international agricultural institutions which have developed improved technologies for commodities and livestock.

Part B: Irrigation Development; Feeder Road Rehabilitation

1. Irrigation Development

(a) Development and rehabilitation of selected irrigation systems in marshlands; and protection and conservation of watersheds adjacent to the irrigated schemes.

(b) Carrying out of a program to establish and build capacity of water user associations to manage and maintain the irrigations systems included in Part B.1(a) of the Project.

(c) Preparation and implementation of management and maintenance programs for the irrigation systems included in Part B.1(a) of the Project.
2. **Feeder Road Rehabilitation**

Rehabilitation and upgrading of selected interior tracks and access roads linking the schemes included in Part B.1(a) of the Project to existing communal roads leading to markets.

**Part C: Project Management and Coordination**

Carrying out of Project coordination, planning, management, audits, monitoring and evaluation; development of Project budgets and environmental and social analyses; development of a financial management system for the Project; dissemination of Project information.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Steering Committee

In order to ensure the proper coordination and oversight of the Project and coordination among the Recipient’s ministries and agencies responsible for the Project, the Recipient shall maintain, throughout the period of Project implementation, with membership, terms of reference and resources satisfactory to the Association, the Steering Committee chaired by a representative of the Ministry of Agriculture, and comprised of high ranking officials representing all such ministries, the Second Vice President, and the Agronomic Sciences Institute, to be responsible for providing the strategic orientation of the Project as well as overall guidance on and oversight of the Project, and ensuring the coordination of the Project with the Recipient’s rural sector development activities.

2. Project Coordination Unit

(a) The Recipient shall, throughout the period of implementation of the Project, maintain within the Ministry of Agriculture, the Project Coordination Unit with terms of reference, staffing and resources acceptable to the Association, to be responsible for (i) coordinating Project implementation and serving as secretariat for the Steering Committee; (ii) managing all Project activities at the national level; (iii) maintaining Project accounts and producing financial reports; and (iv) monitoring, evaluating and reporting on Project implementation and impacts.

(b) Without limitation upon the foregoing, the Recipient shall ensure that the Project Coordination Unit is at all times staffed with the following staff with qualifications and experience and terms of reference satisfactory to the Association: (i) a Project coordinator; (ii) an administrative and financial officer; (iii) a senior accountant; (iv) a procurement specialist; (v) a monitoring and evaluation officer; (vi) a capacity building specialist; (vii) one irrigation and infrastructure specialist; and (viii) an agriculture and livestock specialist.
3. **Inter-Provincial Project Coordination Units**

(a) The Recipient shall, throughout the period of implementation of the Project, maintain the three Inter-Provincial Project Coordination Units, one in the Northern Provinces, one in the Central Provinces and one in the Southern Provinces; each with terms of reference, staffing and resources acceptable to the Association, to be responsible for (i) coordinating Project implementation by private operators and public institutions within its respective provinces; (ii) managing all Project activities at the provincial and local levels; (iii) maintaining Project accounts and producing financial reports at such level; and (iv) monitoring, evaluating and reporting to the Project Coordination Unit on Project implementation and impacts at such level.

(b) Without limitation upon the foregoing, the Recipient shall ensure that each Inter-Provincial Project Coordination Unit is at all times staffed with the following staff with qualifications and experience and terms of reference satisfactory to the Association: (i) a coordinator; (ii) a monitoring and evaluation officer; and (iii) an agriculture and livestock specialist.

B. **Project Implementation Manual**

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, an implementation manual for the Project setting out detailed arrangements and procedures for the Project, including, *inter alia*, financial management, accounting procurement, and monitoring and evaluation procedures and standards, as well as guidelines to be followed in the development and implementation of Subprojects and the award of Matching Grants, and furnish the same to the Association for its review and approval.

2. The Recipient shall thereafter adopt such implementation manual as shall have been approved by the Association and ensure that the Project is carried out with due diligence in accordance with the Project Implementation Manual.

3. The Recipient shall not amend or waive any provision of the Project Implementation Manual without the Association’s prior written agreement. In the event of any inconsistency between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall govern.

C. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
D. Safeguards

1. The Recipient shall ensure that the Project (including all Subprojects), is carried out in accordance with the Safeguard Instruments. To that end, except where there are no safeguards implications which arise in terms of the Safeguards Instruments, the Recipient shall, for all activities proposed to be financed from the funds of the Financing (each a “Proposed Activity”), take the following actions in a manner acceptable to the Association, before the implementation of the Proposed Activity begins.

(a) The Recipient shall carry out an environmental and social impact assessment of the Proposed Activities (each an Environmental and Social Impact Assessment) in accordance with the guidelines provided in the Project Environmental and Social Impact Assessment, or in such other manner agreed in writing by the Association, disclose it locally and, unless otherwise agreed by the Association in writing, furnish it to the Association.

(b) If an Environmental Management Plan would be required for the Proposed Activity on the basis of the ESMF and the Environmental and Social Impact Assessment, the Recipient shall prepare such Environmental Management Plan in accordance with the requirements of such Safeguard Instruments, disclose it locally and, unless otherwise agreed by the Association in writing, furnish it to the Association; and only carry out the Proposed Activity in accordance with such Environmental Management Plan as approved by the Association.

(c) If a Resettlement Plan would be required for the Proposed Activity on the basis of the RPF and the Environmental and Social Impact Assessment, the Recipient shall: (a) prepare said Resettlement Plan in accordance with the requirements of the RPF, disclose it locally and furnish it to the Association; and (b) ensure that no works for said Proposed Activity shall be commenced until (i) all measures required to be taken under said Resettlement Plan prior to the initiation of said Proposed Activity have been taken; (ii) the Recipient has prepared and furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said Resettlement Plan; and (iii) the Association has confirmed that said activities may be commenced.
2. Without limitation upon any other provisions of this Agreement, the Recipient shall: (a) prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, a report, in form and substance satisfactory to the Association, on the implementation of the Safeguard Instruments during such quarter, together with any conditions which may interfere with such implementation and measures designed to address such conditions; and (b) thereafter promptly implement such measures with due diligence, taking into account the comments of the Association on the matter.

E. **Annual Work Plans**

1. **Annual Work Plans**

   (a) The Recipient shall:

   (i) prepare under terms of reference acceptable to the Association, and furnish to the Association, not later than November 30 of each year during the period of Project implementation, for the Association’s review and approval, an annual work plan of activities (including for Subprojects and training and workshop programs) proposed for inclusion in the Project during the following Fiscal Year, together with a budget and financing plan for such activities and a timetable for their implementation; and

   (ii) thereafter, carry out the Project with due diligence during such following year in accordance with such annual work plan as shall have been approved by the Association (“Agreed Annual Work Plan”).

   (b) Only activities included in an Agreed Annual Work Plan, or otherwise expressly approved by the Association in writing, shall be eligible for inclusion in the Project.

2. **Training and Workshops**

   The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Agreed Annual Work Plan, it shall identify in the work plan: (a) the objective and content of the training or workshop envisaged; (b) the selection method of institutions or individuals conducting such training or workshop; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the personnel selected to attend the training or the workshop.
F. Matching Grants

1. Eligibility Criteria

No Beneficiary shall be eligible for a Matching Grant, unless the Recipient shall have determined, on the basis of an appraisal (including an environmental and social impact analysis) conducted in accordance with guidelines acceptable to the Association, that the proposed Beneficiary of such Matching Grant and the Subproject for which the Matching Grant is to be made satisfy the respective eligibility criteria acceptable to the Association, which shall include the following, as further elaborated in the Project Implementation Manual:

(a) The proposed Beneficiary:

(i) is an entity with legal personality;

(ii) comprises a group or association or cooperative consisting of small farmers, processors and/or marketers;

(iii) has the organization, management, staffing and resources necessary to carry out the proposed Subproject and maintain the assets created thereunder;

(iv) has prepared a detailed business plan acceptable to the Recipient, setting forth the activities proposed to be included in the proposed Subproject, and a financing plan for such activities (including their operating costs); and

(v) has provided satisfactory evidence of ability to provide the required Beneficiary’s contribution to the financing of the proposed Subproject, as stated in the Project Implementation Manual for the relevant type of Subproject, out of resources other than the Matching Grant.

(b) The proposed Subproject:

(i) is located in the Project Area;

(ii) is economically and financially viable, or has a public or social interest as described in the Project Implementation Manual, and in any case, is technically feasible and environmentally and socially sound, and where feasible, includes a focus on women; and

(iii) is in compliance with all laws and regulations of the Recipient.
2. Matching Grant Agreements

The Recipient shall make each Matching Grant to a Beneficiary for a Subproject under a Matching Grant Agreement, in the form attached to the Project Implementation Manual, on terms and conditions approved by the Association, which shall include the following:

(a) The Matching Grant shall:

(i) be made on a grant basis; and

(ii) shall not exceed the lesser of: (A) the total estimated cost of the Subproject minus the amount of the Beneficiary’s contribution as stated in the Project Implementation Manual for the relevant type of Subproject, and (B) the maximum amount of the Matching Grant as stated in the Project Implementation Manual for the relevant type of Subproject.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the following:

(i) the Recipient shall have the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Matching Grant Agreement; and

(ii) Each Beneficiary shall be required to: (A) carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance (1) with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient and (2) with the Safeguard Instruments, including, if a Resettlement Plan for the Subproject is required, all measures required to be taken pursuant to such plan prior to the commencement of works are taken as required; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject; and (2) at the Recipient’s or the Association’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

(c) The Recipient shall exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

G. **Irrigation Development**

1. In order to ensure the proper implementation of Part B.1(a) of the Project, the Recipient shall ensure that all irrigation systems included in said Part of the Project shall be maintained by suitable water users’ associations in accordance with Section 4.06(b) of the General Conditions.

2. To that end, the Recipient shall ensure that no later than the date of completion of the development of an irrigation system included in the Project, a water users’ association has been established in accordance with the laws of the Recipient, for the purpose of maintaining such irrigation system in accordance with guidelines satisfactory to the Association.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in paragraph 2 of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The performance indicators referred to above in paragraph 1 consist of the following:

   (a) Average yield of Targeted Commodities (tons per hectare or liters per cow, as the case may be);

   (b) Percentage of production of Targeted Commodities marketed by Beneficiaries.

3. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than October 31, 2016.

4. Thirty six (36) months after the Effective Date, or such other date as may be agreed upon by the Recipient and the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, or on such later date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions. To this end, the Borrower shall, not later than 3 months after the Effective Date: (a) adapt the computerized accounting system established for the financial management of the PRASAB to the needs of the Project, in a manner satisfactory to the Association; and (b) ensure that Project staff is properly trained on the use of such system.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

4. In order to ensure the timely carrying out of the audits referred to in Section II.B.3 of this Schedule, the Recipient shall engage auditors for the purpose not later than 3 months after the Effective Date, in accordance with the provisions of Section III of this Schedule.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Procurement from United Nations Agencies</td>
</tr>
<tr>
<td>(e) Community Participation in Procurement, consisting of, <em>inter alia</em>:</td>
</tr>
<tr>
<td>(i) shopping; (ii) local bidding; (iii) community force account; and (iv) direct contracting.</td>
</tr>
</tbody>
</table>

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.
**Procurement Method**

<table>
<thead>
<tr>
<th>(a) Consultants' Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Individual Consultants</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Community Participation in Selection of Consultants, consisting of, <em>inter alia</em>: (i) consultants' qualifications; (ii) individual consultants; and (iii) single source selection.</td>
</tr>
</tbody>
</table>

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes)
--- | --- | ---
(1) Goods works and consultants’ services for Subprojects under Part A.1 of the Project | 17,600,000 | 100%
(2) Goods, works and consultants’ services under Parts A.2, B and C of the Project, including training, workshops, Operating Costs and audits. | 10,100,000 | 100%
(3) Refund of Preparation Advance | 400,000 | Amount payable pursuant to Section 2.07 of the General Conditions
**TOTAL AMOUNT** | **28,100,000** | |

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is April 30, 2016.
APPENDIX

Section I. Definitions

1. “Agreed Annual Work Plan” means the annual work plan of activities to be included in the Project, and prepared by the Recipient and approved by the Association in accordance with the provisions of Section I, Part E of Schedule 2 to this Agreement.

2. “Agronomic Sciences Institute” means the Institut des Sciences Agronomiques du Burundi, the Recipient’s institute responsible for agronomic sciences, and any successor thereto.


4. “Beneficiary” means a legal entity which meets the eligibility requirements of Section I Part F (1)(a) of Schedule 2 to this Agreement and to which the Recipient has made a Matching Grant for a Subproject.

5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. “Central Provinces” means the following provinces of the Recipient: Mwaro, Muramvya, and Bubanza.

7. “Coffee Sector Reform” means the Recipient’s decision, by Decree no. 100/084 of June 27, 2000, to authorize the sale of the Recipient’s assets in the coffee sector.


10. “Environmental and Social Management Framework” and “ESMF” mean the Recipient’s environmental and social management framework for the Project, set forth in the document entitled “Cadre de Gestion Environnemental et Sociale du Projet de Productivité et de Développement des Marchés Agricoles du Burundi (PPDMA-BU)”, attached as Schedule 1 to the Project Environmental and Social Impact Assessment, disclosed in the Recipient’s territory and approved by the Association.

11. “Environmental Management Plan” and “EMP” mean, the environmental management plan required pursuant to the ESMF for a Proposed Activity, and to be prepared, disclosed and implemented by the Recipient in accordance with the provisions of Section I Part D(1)(b) of Schedule 2 to this Agreement and approved by the Association.

12. “Fiscal Year” and “FY” means each fiscal year of the Recipient, commencing January 1 and ending December 31.

13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.


15. “Inter-Provincial Project Coordination Units” means the Recipient’s units established for the PRASAB in accordance with the provision of the manual for the implementation of the PRASAB, and maintained for the Project in accordance with the Project Implementation Manual.

16. “Matching Grant” means a grant made or to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for a Subproject.

17. “Matching Grant Agreement” means the agreement between the Recipient and a Beneficiary providing for a Matching Grant.

18. “Ministry of Agriculture” means the Ministère de l’Agriculture et de l’Elevage, the Recipient’s ministry responsible for agriculture, and any successor thereto, and “Minister of Agriculture” has a corresponding meaning.
19. “Northern Provinces” means the following provinces of the Recipient: Ngozi, Kirundo, Muyinga, and Cankuzo.

20. “Operating Costs” means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project, but excluding salaries of officials of the Recipient’s civil service.


22. “PRASAB” means the Recipient’s Agricultural Rehabilitation and Sustainable Land Management Project (Projet de Réhabilitation et d’Appui au Secteur Agricole du Burundi – PRASAB), financed in part by the Association (Grant No. H117-BU, GEF Grant No. TF053661-BU and Grant No. H406-BI).

23. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on December 1, 2009 and on behalf of the Recipient on December 18, 2009.


25. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 22, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

26. “Project Area” means the ten provinces of the Recipient included in: (i) the Northern Provinces; (ii) the Central Provinces; and (iii) the Southern Provinces; and such other provinces where the Coffee Sector Reform is implemented by the Recipient, as the Association may agree from time to time in writing.
27. “Project Coordination Unit” and “PCU” mean the unit established by the Minister of Agriculture’s letter Ref. 710/357/2004 dated May 19, 2004 for the PRASAB whose mandate has been extended for the Project by letter from the Second Vice Presidency Ref. 121/VP2/605/2010 dated March 23, 2010.


29. “Project Implementation Manual” and “PIM” mean the Recipient’s Project implementation manual approved by the Association pursuant to Section I Part B of Schedule 2 to this Agreement, as the same may be amended and/or supplemented from time to time in accordance with the provisions of said Section; and such term includes any schedule to the PIM.

30. “Resettlement Plan” and “RP” mean, the resettlement plan required pursuant to the RPF for any Proposed Activity involving involuntary resettlement of persons, and to be prepared, disclosed and implemented by the Recipient in accordance with the provisions of Section I Part D (c) of Schedule 2 to this Agreement and approved by the Association.


32. “Safeguard Instruments” means the Dam Safety Guidelines, PESIA, ESMF, IPDP, RPF, and all Environmental and Social Impact Assessments of Proposed Activities, related EMPs and RPs, for the Project and any Subproject.

33. “Southern Provinces” means the following provinces of the Recipient: Bururi, Makamba, and Rutana.

34. “Steering Committee” means the committee established by the Recipient by letter from the Second Vice Presidency Ref. 121/VP2/605/2010 dated March 23, 2010.

35. “Subproject” means a specific development project included in Part A.1 of the Project to be carried out by a Beneficiary and financed or to be financed under a Matching Grant Agreement out of the proceeds of a Matching Grant.
36. “Targeted Commodities” means bananas, cassava, coffee, irrigated rice (and related off-season vegetables), tea, potato, fruits, milk, livestock and such additional commodities as the Association may from time to time agree to, through written notification to the Recipient.

37. “Targeted Value Chain” means the chain of value-adding activities ranging from production to processing to pre-market and market activities for one or more Targeted Commodities.

**Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

   “Section 2.07. Refinancing Preparation Advance

   If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (l) of Section 6.02 is modified to read as follows:

   “Section 6.02. Suspension by the Association

   ... (l) Ineligibility. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity
has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

3. The following terms and definitions set forth in the Appendix are modified 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:

   The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

   “Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

   “… (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

   “… (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn 13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of
of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”