OFFICIAL DOCUMENTS

GRANT NUMBER D181-BI

Financing Agreement

(Great Lakes Regional Integrated Agriculture Development Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 14th, 2017
FINANCING AGREEMENT

AGREEMENT dated June 14, 2017, entered into between the REPUBLIC OF BURUNDI ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Recipient and the Democratic Republic of Congo have joined in an initiative designed to consolidate peace, revitalize regional economic development, create jobs and opportunities for young people, and improve livelihoods throughout the Great Lakes region (Great Lakes Initiative);

(B) the Recipient, having satisfied itself as to the feasibility and priority of the Project aimed at supporting the Great Lakes Initiative, and described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(C) under a financing agreement dated September 7, 2016 between the Democratic Republic of Congo and the Association, the Association agreed to extend to the Democratic Republic of Congo a credit in an amount equivalent to one hundred five million and nine hundred thousand Special Drawing Rights (SDR105,900,000) to assist in the financing of programs and actions consistent with the Great Lakes Initiative;

WHEREAS (D) the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE 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 fifty five million four hundred thousand Special Drawing Rights (SDR55,400,000) ("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 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 established the National Project Steering Committee in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

(b) The Recipient has recruited the key personnel of the Project Coordination Unit for the Project, consisting of the national coordinator, the procurement specialist, the financial management specialist, and the monitoring and evaluation specialist, without limitation upon the transitional arrangements under paragraph 2 of Section I.A of Schedule 2 of this Agreement, the duration of which shall not exceed six (6) months.

(c) The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement.

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 (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

Ministry of Finance, Budget and Privatization.
P. O. Box 1830
Bujumbura
Burundi

Telex: 5135
Telephone: 257-22-22-27-75
MINIFINBDI

5.03. The Association’s Address is:

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

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

REPUBLIC OF BURUNDI

By

______________
Authorized Representative

Name: 
Title: 

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

______________
Authorized Representative

Name: 
Title: 

SCHEDULE 1

Project Description

The objectives of the Project are: (i) to increase agricultural productivity and commercialization in Targeted Areas in the territory of the Recipient and improve agricultural regional integration; and (ii) to provide immediate and effective response in the event of an eligible crisis or emergency.

The Project consists of the following parts:

Part 1. Smallholder Productivity and Production Enhancement

1.1. Strengthening of Producer Organizations

Support to capacity building of maize, rice, and dairy producer organizations to enable them to provide services to their members, including the strengthening of their organizational capabilities and improving their access to markets, through training programs and support to their legal registration.

1.2. Support to Rice and Maize Production

(a) Access to Improved Technology and Dissemination of Sustainable Agricultural Practices for Rice and Maize Production

(i) Farmer training through agricultural extension: carrying out of a Training of Trainers program; establishment of Farmer Field Schools and financing of farmer plots; farmers-to-farmers visits, including at the regional level; design of technical sequences adapted for each crop; and support to capacity-building of MINAGRIE’s extension services.

(ii) Access to improved factors of crop production: financing of access to packages of improved seed and fertilizer by individual farmers, cooperatives, water user associations (WUAs), and other producer groups in Project areas, through the provision of Matching Grants to Beneficiaries.

(iii) Access to small-scale mechanization: financing of access to small-scale mechanized equipment by producer organizations, through the provision of Matching Grants to Beneficiaries.
(iv) Climate-smart and nutrition-smart technologies: (1) promotion of the use of System of Rice Intensification (SRI) technology for rice cultivation, including training of farmers, technicians, and program implementers to use SRI practices at the field level, establishment of SRI demonstration plots, and provision of technical packages to farmers adopting SRI through the provision of Matching Grants, and field visits at the regional level; and (2) support to the development of nutritionally-enhanced crops, including the introduction of bio-fortified crops, training, and preparation and dissemination of training materials; through the provision of Matching Grants to Beneficiaries.

(b) Irrigation and Watershed Development

(i) Irrigation development: rehabilitation and/or development of irrigation infrastructure; and institutional development to improve management of the irrigation schemes through WUAs.

(ii) Watershed management: financing of sustainable investments in watersheds, focusing on strategic anti-erosion works and interventions on communally-owned land; and institution-building and training.

1.3. Support to Dairy Value Chain Development

(a) Provision of technical assistance to small-scale producers to form producer organizations along collection and market roads.

(b) Support to access to animal health services.

(c) Support to improved animal nutrition by promoting forage crops, using agricultural residues to feed animals, improving pasturage practices, and training producers in good animal feeding/drinking and husbandry practices.

(d) Support to the improvement of the genetic potential of cattle through local purchases and imports from neighboring countries.

(e) Provision of improved genetic material of dairy cows to producers.
Part 2: Support to Investments in Agro-processing and Market Linkages

2.1. Improving the Agribusiness Enabling Environment and Investment Climate

(a) Support for policies, strategies, and regulatory reforms that encourage private agro-processing investments in targeted areas

(i) Support to strengthening the Recipient’s regulatory framework in key areas that impact the agribusiness value chain.

(ii) Carrying out of feasibility studies to determine opportunities and priorities.

(iii) Development and implementation of a targeted investor outreach campaign.

(b) Strengthening business development services for value chain transport, including establishment, strengthening and training of business development service providers.

2.2. Support for Value Addition and Market Linkages

(a) Establishment of a network of post-harvest/marketing centers along the Cibitoke-Makamba corridor for rice and maize produced by cooperatives in the region, through the provision of Matching Grants to Beneficiaries for equipment purchase and construction and/or rehabilitation of plant buildings, and training and business development services.

(b) Support for special value-adding agro-processing initiatives, through the provision of Matching Grants to support selected business proposals and training.

(c) Support to expanding the Agripreneur Youth initiative being implemented by the International Institute of Tropical Agriculture in several countries in Sub-Saharan Africa through the provision of Matching Grants and training.

2.3. Improving Rural Road Infrastructure for Market Access

(a) Preparation of a rural roads improvement program, and rehabilitation of existing feeder roads in the Ruzizi and Imbo regions and of a connecting bridge at the Kavingira crossing.
Development of a community-based road maintenance strategy, including development of a training of trainers program on road maintenance for staff of the Public Works Department, and provision of basic tools and equipment to road maintenance associations.

Part 3. Institution Integration, Knowledge Acquisition, and Dissemination of Information at the Regional Level

3.1. Regional Cooperation and Capacity Development for Agricultural Researchers

(a) Support to capacity development of Commission Economique des Pays des Grands Lacs’s Agriculture and Food Security Division, including: regional planning, monitoring and evaluation to establish and monitor complementary investments with neighboring countries, natural resource management in shared watersheds, expected impacts of climate change, and infrastructure investments; and support to regional exchange of information, knowledge, and technologies through, inter alia, the establishment of a web-based exchange platform.

(b) Support to capacity development of agricultural researchers through: (i) specialized training and exchanges on priority themes for scientists from national agricultural research institutes; and (ii) degree-related PhD and MSc training on priority research themes for the targeted value chains.

3.2. Development of Profitable and Sustainable Technologies

(a) Identification and promotion of best production practices to enhance productivity and reduce the gap between current and potential yields, regarding, inter alia, soil fertility, pest and water management, and improved agronomic practices.

(b) Testing and validation of improved rice and maize seeds, including the introduction of climate-smart varieties.

(c) Identification and dissemination of climate- and nutrient-smart options for diversification of rice- and maize-based production systems.

3.3. Diagnostic Services and Support to Laboratory Services

(a) Strengthening of general laboratory capacity within ISABU, including laboratory rehabilitation and provision of equipment,
development of standard operating procedures including facilitation of quality assurance and data management procedures, and training of laboratory staff.

(b) Establishment of an aflatoxin management system to help control crop aflatoxin content.

Part 4. Project Management and Institutional Support

4.1. Project Management and Coordination

Support to Project management, consisting of the financing of: (a) staffing, equipment and operating costs of the PCU; (b) Project planning and internal monitoring and evaluation; (c) environmental and social safeguards management; and (d) preparation and implementation of a communication, including a grievance redress mechanism.

4.2. Institutional Support, Capacity Building, Advocacy, and Communications

Provision of capacity building to national and provincial technical services in MINAGRIE, including financing of: (a) the construction or rehabilitation of office buildings; (b) training and study tours for individuals from public agencies; and (c) technical assistance and equipment for designated technical services.

4.3. Contingency Emergency Response

Provision of an administrative and financial framework for funding emergency activities requiring immediate response in the event of a natural or human-induced disaster.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. National Project Steering Committee

The Recipient shall establish and maintain until the completion of the Project, the National Project Steering Committee, with composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, inter alia, providing policy guidance and oversight over the Project and ensuring proper coordination.

2. Project Coordination Unit

The Recipient shall: (a) cause the existing Project Coordination Unit for the Agro-Pastoral Productivity and Markets Development Project to assume initial responsibility for coordination and implementation of the Project until such time that the Project Coordination Unit for the Project has been established; (b) by not later than six (6) months after the Effective Date, establish and maintain until the completion of the Project, the Project Coordination Unit for the Project, which shall assume overall responsibility over the Project, including daily management of the designated account and coordination of Project activities; and (c) take all actions, including the provision of funds, personnel and other resources necessary to enable said Project Coordination Unit to perform said functions.

3. Provincial Implementation Units

The Recipient shall establish five (5) Provincial Implementation Units in Bujumbura rural, Cibitoke, Bubanza, Rumonge, and Makamba, to be responsible for field coordination, guidance and supervision of Project activities carried out in their respective provinces.

4. Memoranda of Understanding with Technical Public Services

The Recipient, through the Project Coordination Unit, shall enter into Memoranda of Understanding with the following technical public services, specifying the responsibilities of such public services in relation to the Project:

(a) Institut des Sciences Agronomiques du Burundi, to be responsible for supporting production (provision of certified seeds), extension and applied research activities;
(b) Centre National de Technologies Agro-Alimentaire, to be responsible for supporting post-harvest/agro-processing activities under Part 2 of the Project and aflatoxin management interventions under Part 3 of the Project and

(c) Direction Provinciale de l'Agriculture et de l'Elevage and Direction Générale de la Mobilisation pour l'Auto-développement et la Vulgarisation Agricole, to be responsible for providing support with respect to producers' organizations, extension, and monitoring and evaluation.

5. Institutional Arrangements at the Regional Level

The Recipient shall, by not later than three (3) months after the Effective Date, designate its representative to the regional facilitation mechanism to ensure policy coordination and implementation between the Recipient and the Democratic Republic of Congo.

B. Implementation Arrangements

1. Project Implementation Manual

(a) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(b) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the Association not later than two (2) months prior to the start of each calendar year, a work plan and budget containing all activities (including Matching Grants) proposed to be included in the Project during the following calendar year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.

(b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
(c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget, and thereafter ensure that the Project is implemented with due diligence during said following calendar year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").

(d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

C. Anti-Corruption

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

D. Matching Grants

1. The Recipient shall ensure that each Matching Grant to Beneficiaries shall be eligible for financing only upon the Recipient’s determination, on the basis of an appraisal conducted in accordance with the criteria, guidelines and detailed procedures set forth in the Project Implementation Manual, that the Matching Grant satisfies the eligibility criteria specified in the Project Implementation Manual, and has been, *inter alia*:

   (a) appraised on the basis of an environmental and social assessment and other guidelines acceptable to the Association (and be accompanied by appropriate Safeguard Instruments, if required);

   (b) designed to avoid any involuntary resettlement of persons or loss of their income or productive capacity;

   (c) approved by the Recipient and the Association, unless with respect to the Association’s approval, the Association has notified the Recipient in writing that its prior approval is not required; and

   (d) included in the Annual Work Plan and Budget approved by the Association in accordance with paragraph 2 of Section I.B of this Schedule.

2. The Recipient, through the PCU, shall make each Matching Grant available to the Beneficiary, under a Matching Grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall, *inter alia*, include the following:
(a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) 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) require each Beneficiary to:

(A) carry out the activities financed by the Matching Grant 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 with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(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 Matching Grant 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 Matching Grant; and

(2) at the Association's or the Recipient'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 activities financed by the Matching Grant 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.

3. 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.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework (ESMF), the Integrated Pest Management Plan (IPMP), the Resettlement Policy Framework (RPF), and the Indigenous Peoples Planning Framework (IPPF).

2. Whenever an Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Resettlement Action Plan (RAP) and/or Indigenous Peoples Plan (IPP) shall be required for any proposed Project activity in accordance with the provisions of the ESMF, RPF and/or the IPPF; the Recipient shall:

(a) prior to commencement of such activity, proceed to have such ESIA, ESMP, RAP and/or IPP, as the case may be: (i) prepared in accordance with the provisions of the ESMF, RPF and the IPPF; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, ESMP, RAP or IPP; and

(c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the RAP have been executed, including, in the case of displacement, full payment to Affected
Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the IPMP, the RPF, the IPPF, and any ESIA, ESMP, RAP and/or IPP adopted in accordance with the provisions of paragraph 2 of this Part E, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association on a quarterly basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the ESMF, IPMP, RPF, IPPF and ESIA, ESMP, RAPs and IPPs, as applicable, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

5. The Recipient shall ensure that all terms of reference for any technical assistance and studies to be carried out under the Project are prepared in form and substance satisfactory to the Association and taking into account appropriate environmental and social safeguards measures.

F. Immediate Response Mechanism

1. To ensure the proper implementation of Part 4.3 of the Project, the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for Part 4.3 of the Project, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing Part 4.3 of the Project ("Coordinating Agency"); (ii) specific activities which may be included in Part 4.3 of the Project, Eligible Expenditures required therefor, and any procedures for such inclusion; (iii) financial management arrangements for Part 4.3 of the Project; (iv) procurement methods and procedures for Emergency Expenditures to be financed under Part 4.3 of the Project; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for Part 4.3 of the Project, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of Part 4.3 of the Project.
afford the Association a reasonable opportunity to review said proposed operations manual;

(c) promptly adopt such operations manual for Part 4.3 of the Project as shall have been approved by the Association ("IRM Operations Manual");

(d) ensure that Part 4.3 of the Project is carried out in accordance with the IRM Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the IRM Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the IRM Operations Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of Part 4.3 of the Project, maintain a coordinating agency ("Coordinating Agency"), with adequate staff and resources 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 indicators acceptable to the Association. Each Project Report shall cover the period of one (1) 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 Recipient shall, not later than two (2) months prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.

3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.

4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming
noted in the implementation of the Project, or to implement such other measures as may be required 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.

2. 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 (1) 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 (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 February 2017, 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, non-consulting services, consulting services, Training and Operating Costs for the Project | 44,600,000 | 100%  
(2) Matching Grants | 10,000,000 | 100% of amounts disbursed  
(3) Emergency Expenditures under Part 4.3 of the Project | 0 | 100%  
(4) Refund of Preparation Advance | 800,000 | Amount payable pursuant to Section 2.07 of the General Conditions  
**TOTAL AMOUNT** | **55,400,000**  

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   (a) for payments made prior to the date of this Agreement; or
   (b) under Category 2 unless the Association is satisfied that the Matching Grants comply with the provisions of paragraph 1 of Section I.D of this Schedule 2; or
   (c) under Category 4 for Emergency Expenditures under Part 4.3 of the Project unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:
      (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in Part 4.3 of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with
such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all Safeguards Instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.E.3 of this Schedule 2;

(iii) the Recipient's Coordinating Agency has adequate staff and resources, in accordance with the provisions of Section I.F.2 of this Schedule 2, for the purposes of said activities; and

(iv) the Recipient has adopted an IRM Operations Manual in form, substance and manner acceptable to the Association in accordance with the provisions of Section I.F.1 of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under Part 4.3 of the Project.

2. The Closing Date is November 30, 2022.
APPENDIX

Section I. Definitions

1. "Affected Person" means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.

2. "Agro-Pastoral Productivity and Markets Development Project" means the project described in the financing agreement between the Recipient and the Association dated September 22, 2010.

3. "Annual Work Plan and Budget" means an annual work plan and budget referred to in Section I.B.2 of Schedule 2 to this Agreement.


5. "Beneficiaries" means farmers or their producer organizations, water user associations, small and medium enterprises, or the youth who will be supported by or who will benefit from Project activities.

6. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. "Centre National de Technologies Agro-Alimentaire" means the Recipient's Centre National de Technologies Agro-Alimentaire or any successor thereto.

8. "Commission Economique des Pays des Grands Lacs" means the Economic Community of the Great Lakes Countries, a sub-regional organization created under the Treaty of Gisenyi in Rwanda on September 20, 1976, and aiming at insuring the safety of member states, at favoring the creation and the development of activities of public interest, at promoting the trades and the traffic of the persons and the possessions, at establishing the cooperation in a narrow way in all the domains of the political, economic and social life.


11. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

12. "Emergency Expenditure" means any of the Eligible Expenditures set forth in the IRM Operations Manual in accordance with the provisions of Section I.F.1 (a)(i) of Schedule 2 to this Agreement and required for the activities included in Part 4.3 of the Project.

13. "Environmental and Social Impact Assessment" or "ESIA" means an environmental and social impact assessment to be prepared by the Recipient for a specific Project activity, in each case identifying and assessing the potential environmental and social impacts of a proposed Project activity; and "ESIAs" means more than one such ESIA, as such ESIAs may be amended from time to time with the prior written agreement of the Association.

14. "Environmental and Social Management Framework" or "ESMF" means the framework satisfactory to the Association, prepared and adopted by the Recipient, and disclosed in country and on the Association’s website on February 9, 2017, outlining the process for management of the environmental and social aspects of the Project as the same may be amended from time to time with the Association’s prior written concurrence.

15. "Environmental and Social Management Plan" or "ESMP" means an environmental and social management plan to be prepared by the Recipient for a specific Project activity, in each case consistent with the ESMF, and setting forth appropriate mitigation, monitoring and institutional measures designed to mitigate the potential adverse environmental and social impacts of a proposed Project activity; and "ESMPs" means more than one such ESMP, as such ESMPs may be amended from time to time with the prior written agreement of the Association.


17. "Immediate Response Mechanism Operations Manual" or "IRM Operations Manual" means the operations manual referred to in Section I.F.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for Part 4.3 of the Project in accordance with the provisions of said Section.
18. “Indigenous Peoples’ groups” means distinct, vulnerable, social and cultural groups that may be identified pursuant to the studies outlined in the IPPF (as hereinafter defined) for the purposes of this Project.

19. “Indigenous Peoples Planning Framework” or “IPPF” means an instrument prepared by the Recipient, satisfactory to the Association, disclosed in country and on the Association’s website on February 9, 2017, outlining the basis for identifying indigenous people and their rights, the appropriate consultative process as well as guidelines to avert, minimize, mitigate, or provide culturally appropriate compensation for any potentially adverse effects as the same may be amended from time to time with the Association’s prior written concurrence.

20. “Indigenous Peoples’ Plan” or “IPP” means each of the plans to be prepared by the Recipient, satisfactory to the Association, disclosed in country and on the Association’s website, which sets out the measures to be carried out by the Recipient to ensure that: (a) an Indigenous People’s group affected by the Project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are compensated for, avoided, minimized, or mitigated.


22. “Integrated Pest Management Plan” or “IPMP” means the Recipient’s Integrated Pest Management Plan, satisfactory to the Association, duly disclosed in country and on the Association’s website on February 9, 2017, which sets out the measures to guide the use of pesticides and related products under the Project and the adequate management of their contents.

23. “Matching Grant” means each grant provided to Beneficiaries under Parts 1.2 and 2.2 of the Project to carry out a series of activities.

24. “Matching Grant Agreement” means the agreement to be entered into between the Recipient and the Beneficiary for the financing of Matching Grants and referred to in Section I.D.2 of Schedule 2 to this Agreement.


26. “National Project Steering Committee” means the Recipient’s National Project Steering Committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

27. “Operating Costs” means the reasonable expenses incurred by the Project Coordination Unit at the national level and the Provincial Implementation Units at the provincial units on accounts of Project implementation, based on an Annual
Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, including: expenditures for maintenance of equipment, facilities and vehicles used for Project implementation, fuel, routine repair and maintenance of equipment, vehicles and office premises, communication costs, use of internet costs, stationery and other office supplies, utilities used for Project implementation, consumables, travel per diems, accommodation expenses, workshop venues and materials, and costs of translation, printing, photocopying and advertising, but excluding salaries, top-ups, honoraria, or allowances of the Recipient’s civil servants.

28. "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 January 28, 2015 and on behalf of the Recipient on February 10, 2015.

29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 21, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


31. “Project Coordination Unit” means the Recipient’s Project coordination unit referred to in Section I.A.2 of Schedule 2 to this Agreement.

32. “Project Implementation Manual” means the manual, satisfactory to the Association, adopted by the Recipient pursuant to Section I.B.1 of this Agreement and, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project’s objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) guidelines for carrying out of Matching Grants (including Safeguard Instruments applicable to said Matching Grants), including, inter alia, the eligibility criteria and detailed procedures for the selection, approval and implementation of said Matching Grants; (ix) guidelines for assessing potential environmental and social impacts of the Project (including said Matching Grants) and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.
33. “Provincial Implementing Units” or “PIUs” means the Provincial Implementation Units for the provinces of Bujumbura rural, Cibitoke, Bubanza, Rumonge and Makamba, referred to in Section I.A.3 of Schedule 2 to this Agreement.

34. “Resettlement” means resettlement and rehabilitation of persons affected by the implementation of the Project, including as a result of the acquisition of land and other assets, and loss of access to land, other assets or income, whether permanent or temporary.

35. “Resettlement Policy Framework” or “RPF” means the framework for the Project prepared by the Recipient, disclosed in country and in the Association’s website on February 9, 2017, for compensation payments to be made under the Project to Affected Persons, including a Process Framework, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association.

36. “Resettlement Action Plan” or “RAP” means a resettlement action plan to be prepared by the Recipient for a specific Project activity, consistent with the RPF, and describing, for a proposed Project activity, the compensation and other resettlement assistance to be provided, consultation to be conducted with Affected Persons, institutional responsibilities for the implementation, procedures for grievance redress, and arrangements for monitoring and evaluation; and “RAPs” means more than one such RAP, as such RAPs may be amended from time to time with the prior written agreement of the Association.

37. “Safeguard Instrument” means, in respect of a given Project activity: (a) for which the ESMF requires an ESIA, said ESIA; (b) for which the ESIA requires an ESMP, said ESMP; (c) for which the RPF requires a RAP, said RAP; (d) for which a IPPF requires a IPP, said IPP; and (e) the IPMP, as all shall have been prepared in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

38. “Targeted Areas” means the areas located in the Ruzizi plain and the Imbo region, as well as the geographic corridor along Lake Tanganyika.

39. “Training” means the reasonable costs associated with training, workshops and study tours provided under the Project, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, consisting of reasonable expenditures (other than expenditures for consultants’ services) for: (a) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.