

**CONFORMED COPY**

**GRANT NUMBER H406-BI**

# **Financing Agreement**

**(Additional Financing for Agricultural Rehabilitation and  
Sustainable Land Management Project)**

**between**

**REPUBLIC OF BURUNDI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated July 16, 2008**

**FINANCING AGREEMENT**

AGREEMENT dated July 16, 2008, entered into between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

**ARTICLE I – GENERAL CONDITIONS; DEFINITIONS; AMENDMENT**

- 1.01. The General Conditions (as defined in Section I of 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 Section I of the Appendix to this Agreement.
- 1.03. The Original Financing Agreement is amended as set out in Section II of 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 nine million three hundred thousand Special Drawing Rights (SDR 9,300,000) (“Grant”) 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 the 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 March 1 and September 1 in each year.
- 2.05. The Payment Currency is Dollars.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through MAE 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 the Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) an extraordinary situation has arisen which makes it improbable that the Program or a significant part of it will be carried out; and
  - (b) the regulation or regulations, as the case may be, establishing the NPCMU and IPCMUs shall have been amended, abrogated, repealed, or waived so as, in the opinion of the Association, to materially or adversely affect the ability of the NPCMU or any of the IPCMUs to perform any of its respective obligations in the pursuit of the objective of the Project.

**ARTICLE V – EFFECTIVENESS; TERMINATION**

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. 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 VI – REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is the minister at the time responsible for finance.

6.02. The Recipient's Address is:

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

Facsimile:

(257) 22 223 827

6.03. 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  
Washington, D.C.

248423 (MCI)

1-202-477-6391

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/ Alassane SOW**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to restore the productive capacity and livelihoods of the Recipient's rural population through economically and ecologically sustainable investments.

The Project, which scales up the Original Project, consists of the following parts:

#### **A. Agricultural Production and Sustainable Land Management**

##### **1. Matching Grants to CBOs and POs**

Financing, through the provision of Matching Grants to CBOs and POs, of:

- (a) specific development activities, such as those set forth in Part A.1 of Schedule 2 to the Original Financing Agreement, designed to enhance agricultural production and sustainable land management, with a particular focus on:
  - (i) (A) production of quality seeds; (B) development of irrigated schemes for production of rice in one season and horticultural products, such as tomatoes, onions and cabbage during alternate seasons; and (C) development of palm oil, livestock, coffee and essential oil; and
  - (ii) improvement of water and soil management in wetlands; rehabilitation of watersheds; promotion of sustainable land management through pilot activities to improve vegetative cover, including *inter alia*, through the introduction of indigenous species, and to protect waterways.
- (b) specific development activities designed to enhance agricultural production and sustainable land management in Batwa communities in a culturally appropriate manner, with a particular focus on small animal husbandry and handicrafts.

##### **2. Internally displaced persons and returnees**

Carrying out of a program to facilitate the reintegration of displaced persons and returnees into the economy through the provision of:

- (a) seed, inputs, and farming and cattle rearing implements for small farms; and

- (b) emergency kits comprising cattle and small agricultural and livestock equipment.

**B. Capacity Building and Institutional Strengthening**

**1. CBOs, POs, LIAs**

Carrying out of a program to strengthen the capacities of (a) CBOs, POs, with a particular focus on water users' associations in irrigated perimeters, coffee grower associations and technical staff of coffee washing stations, and (b) LIAs; all through the provision of technical advisory services, and training (including workshops, and study tours).

**2. Key Public Services**

- (a) Carrying out of a program to strengthen MAE's capacities in program planning, and monitoring and evaluation of agricultural investments, including carrying out of an agricultural census, and provision of goods and technical advisory services and training required for the program.
- (b) Carrying out of a program to: (i) strengthen the capacities of MATE in (A) land management, (B) information management (including through the enhancement of MATE's geographic information system); and (C) integrated land use planning; (ii) enhance the skills of farmers, professionals and staff in environmentally sustainable land management, including wetlands management; (iii) develop provincial action plans for land use management; and (iv) develop suitable environmental norms and procedures, including air and water quality standards and procedures for pesticide management and use; and provision of goods, technical advisory services and training (including workshops and study tours) required for the program.
- (c) Carrying out by MAE and MATE of a program to improve the planning, allocation, and monitoring natural resources in an environmentally sound and sustainable manner, such program to include the (i) training of technical staff in environmental assessment, and; (ii) development of farm field schools in order to promote new land management technologies; and provision of goods, technical advisory services and training (including workshops and study tours) required for the program.
- (d) Carrying out of agricultural and land management research programs aimed at resolving constraints to agricultural productivity and sustainable land management and developing new technologies (through the provision of goods and technical advisory services to research agencies of the Recipient, including the National Agricultural Research Institute (ISABU)).

**C. Project Coordination and Management**

Provision of goods, works, and technical advisory services to NPCMU and IPCMUs for Project coordination and management, monitoring, carrying out of audits and periodic evaluations, and reporting.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. National Project Steering Committee

The Recipient shall maintain, until completion of the Project, the NPSC, in form and substance, and with membership, resources and terms of reference satisfactory to the Association, to be responsible for general oversight of the Project, including (a) reviewing annual work plans and budgets and ensuring consistency of the Project's activities with the Program, (b) reviewing Project Reports and progress towards achievement of the Project's objective, and (c) facilitating coordination among the entities involved in the Project and resolution of issues that arise during Project implementation.

##### 2. Technical Monitoring Committee and Sub-Committees

The Recipient shall maintain, until completion of the Project, a technical monitoring committee and two technical monitoring sub-committees, one such sub-committee to be headed by MATE and the other to be headed by MRRDR, all with membership, resources and terms of reference satisfactory to the Association, and each with the following responsibilities: the TMC shall be responsible, *inter alia* for: (i) monitoring and guiding the technical implementation of the Project; and (ii) reviewing annual work plans and budgets to be submitted to the NPSC; and the TMSs shall be responsible for monitoring and guiding implementation of Parts A.1 (a) (ii) and A.2, respectively, of the Project.

##### 3. National Project Coordination and Management Unit

The Recipient shall maintain, until completion of the Project, the NPCMU, comprised of qualified and experienced staff in adequate numbers (including (a) a Project coordinator; (b) an institutional and capacity building specialist; (c) a rural development specialist; (d) a sustainable land management specialist; (e) a monitoring and evaluation specialist; (f) a financial management specialist; (g) a procurement specialist; (h) an accountant; and (i) support staff with resources and terms of reference satisfactory to the Association), to be responsible for the overall administration, coordination, implementation,

environmental and social management, financial management, procurement, and monitoring and evaluation of the Project.

4. Inter-Provincial Project Coordination and Management Units

The Recipient shall maintain, until Project completion, in each of the following Provinces, an IPCMU with qualified staff in adequate numbers (including (i) an inter-provincial coordinator; (ii) a monitoring and evaluation specialist; and (iii) a secretary / accountant), and with resources and terms of reference satisfactory to the Association, to be responsible, under the guidance of the NPCMU, for the day-to-day administration, coordination, implementation, environmental and social management, financial management, procurement, and monitoring of Project activities in the Provinces under its responsibility:

- (a) Makamba (to be responsible for Bururi, Makamba, and Rutana Provinces);
- (b) Muyinga (to be responsible for Cankuzo, Kirundo, Muyinga, and Ngozi Provinces); and
- (c) Muramvya (to be responsible for Bubanza, Muramvya, and Mwaro Provinces).

5. Local Implementing Agencies

The NPCMU shall maintain in each Province, until Project completion, arrangements satisfactory to the Association with an LIA acceptable to the Association whereby such LIA shall undertake to provide guidance on Project activities relating to CBOs and POs in such Province.

**B. Project Implementation Manual**

The Recipient shall: (i) carry out the Project in accordance with the PIM; and (ii) not amend, abrogate, or waive the PIM, or any provision thereof, without the prior written approval of 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. Annual Work Plans**

1. The Recipient shall prepare in accordance with guidelines acceptable to the Association and furnish to the Association not later than October 31 in each calendar year, a proposed annual work plan and budget for the Project for the following calendar year, of such scope and in such detail as the Association shall reasonably request.
2. The Recipient shall: (a) afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan; and (b) thereafter carry out such work plan and according to such budget, both as shall have been approved by the Association during such following year.

**E. Subprojects**

1. General

The Recipient shall appraise, approve, and monitor the Subprojects under Part A.1 of the Project in accordance with the provisions of this Section I.E and the PIM.

2. Eligibility Criteria and Procedures for Subprojects.

Except as the Association may otherwise agree in writing, no proposed Subproject shall be eligible for financing under Part A.1 of the Project unless the Recipient has determined, on the basis of an appraisal (including an environmental assessment for the Subproject conducted in accordance with the Environmental Assessment), conducted in accordance with guidelines acceptable to the Association that the proposed Subproject satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the PIM:

- (a) the proposed Subproject is to be carried out by a CBO or PO which has the necessary experience and qualifications to carry out the Subproject, and has prepared an acceptable business plan for the Subproject;
- (b) the proposed Subproject: (i) consists of specific development activities set forth in Part A.1 of the Project and further elaborated in the PIM; (ii) is designed to (A) benefit at least 20 households; (B) contribute to import substitution or to yield export revenues, (C) contribute to growth and employment in the Recipient's rural areas and (D) yield a financial rate of return of at least 25%; (iii) complies with all applicable laws and regulations of the Recipient; and (iv) does not involve any activities relating to the production of tobacco or hallucinogenic plants;

- (c) the total investment cost of the proposed Subproject is not expected to exceed \$30,000 equivalent;
- (d) the total amount of the Matching Grant does not exceed an amount equivalent to 500 times the number of households benefiting from the Subproject;
- (e) the financing of the proposed Subproject is fully covered by the sum of the proposed Matching Grant and the Beneficiary's contribution; and
- (f) if, on the basis of the environmental assessment conducted for the Subproject, an environmental management plan, pest management plan, dam safety plan, resettlement plan, and/or indigenous peoples' plan tailored to the Subproject are or is required, such plan or plans have been prepared pursuant to the Environmental Assessment and have been approved by the Association.

3. Terms and Conditions of Matching Grant Agreements

- (a) A Matching Grant shall be made for each Subproject approved in accordance with the provisions of paragraph 2 of this Section I.E under a Matching Grant Agreement between the Recipient (through the respective IPCMU) and the Beneficiary implementing the Subproject, on terms and conditions satisfactory to the Association, including the following, whereby:
  - (i) the Beneficiary shall undertake to: (A) contribute, in cash or in kind, at least 5% of the total estimated Subproject cost; (B) carry out the Subproject with due diligence and efficiency and in accordance with sound environmental, social, engineering, financial, and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; (C) maintain adequate records to reflect, in accordance sound accounting practices, the resources, operations, and expenditures relating to the Subproject; (D) procure the goods, works, and services to be financed out of the proceeds of the Matching Grant in accordance with the provisions of Section III of this Schedule 2, and use the same exclusively in the carrying out of the Subproject; and
  - (ii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants, and construction included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain

all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of Subproject and the Beneficiary; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Matching Grant upon failure by the Beneficiary to perform any of its obligations under the Matching Grant Agreement.

- (b) The Recipient shall exercise its rights under the Matching Grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project's objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Matching Grant Agreement or any of its provisions.

#### **F. Safeguards**

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental Assessment (including the Dam Safety Analysis, Environmental and Social Management Framework, Environmental Management Plan, Pest Management Plan and Resettlement Policy Framework), and the Indigenous Peoples Plan and, except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of the aforementioned without the prior written agreement of 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 II.A. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month 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) Outcomes:
    - (i) Productivity increase in the Project area of: (A) first grade coffee; (B) irrigated rice; (C) onions, tomatoes and cabbages; (D) cassava; (E) palm oil; and (F) milk.

- (ii) Increase in number of returnees and internally displaced persons reintegrated in their communities.
  - (iii) Number of hectares of watershed under sustainable land management practices rehabilitated.
  - (iv) Increase in budgetary allocations to the agricultural sector.
- (b) Outputs:
- (i) Number of subprojects approved and being implemented.
  - (ii) Number of hectares under irrigation.
  - (iii) Number of beneficiary households.
  - (iv) Number of beneficiary coffee growers households.
  - (v) Number of returnees' households benefiting under the Project.
  - (vi) Number of Batwa households benefiting under the Project.
  - (vii) Area of watersheds under sustainable land management practices.
  - (viii) Completion of an agricultural census.
  - (ix) Number of provincial land use action plans adopted.
  - (x) Promulgation of a legislative framework for environmental assessments.
  - (xi) Number of agricultural research activities completed and farm field schools put into operation.

**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. 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 un-audited 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. 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**

#### **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:

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

**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.

<b>Procurement Method</b>
(a) Selection Based on the Consultants' Qualifications
(b) Least-Cost Selection
(c) Single-Source Selection
(d) Selection of Individual Consultants

**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 Grant (“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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (exclusive of Taxes)</b>
(1) Goods, works and services required for: (a) Subprojects under Part A 1 of the Project (b) Parts A 2, B and C of the Project	6,600,000 1,000,000	100%
(2) Training	1,500,000	100%
(3) Incremental Operating Costs	200,000	100%
<b>TOTAL AMOUNT</b>	<b>9,300,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
- (a) payments made prior to the date of this Agreement; and
  - (b) expenditures for a Subproject under Category (1), unless a Matching Grant Agreement providing a Matching Grant for such Subproject has been concluded in accordance with the provisions of Section I. E of this Schedule 2.
2. The Closing Date is October 31, 2010.

## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary” means: (i) a CBO which meets the eligibility criteria set out in Section I.E 2 of Schedule 2 to this Agreement and further elaborated in the PIM and to which or for whose benefit a Matching Grant is made or proposed to be made; or (ii) a PO which meets the eligibility criteria set out in said Section I.E 2 and further elaborated in the PIM and to which or for whose benefit a Matching Grant is made or proposed to be made.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Commune” means an administrative area of the Recipient, established pursuant to the Recipient’s Law No. 1/29 of September 24, 1982, representing a designated area and population within the territory of the Recipient.
5. “Community” means a socially cohesive local population in a Commune of the Recipient.
6. “Community-Based Organization” or “CBO” means a group of Community members established and operating in a Commune of the Recipient pursuant to the Recipient’s Law No. 1/11 of April 18, 1992.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “Dam Safety Analysis” or “DSA” means the part of the Environmental Assessment describing the dam safety measures to be implemented in the course of rehabilitation of each dam under the Project, including, in particular, institutional arrangements for the training of and the provision of necessary technical advisory services to the relevant Beneficiary and for the monitoring of such dam as appropriate.
9. “Environmental Assessment” or “EA” means the assessment, dated January 2004, in form and substance satisfactory to the Association, describing the potential adverse

environmental impact of the Project and measures for the offsetting, reducing, or mitigating such impact, and including the following annexes thereto: (i) Dam Safety Analysis, (ii) Environmental and Social Management Framework, (iii) Environmental Management Plan, (iv) Pest Management Plan, and (v) Resettlement Policy Framework, as the same may be updated from time to time with the prior written approval of the Association.

10. “Environmental and Social Management Framework” or “ESMF” means the part of the EA which sets out the modalities to be followed in assessing the potential adverse environmental and social impact of a Subproject and the measures to be taken to offset, reduce, or mitigate such adverse impact.
11. “Environmental Management Plan” or “EMP” means the part of the EA which sets out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, which have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts.
12. “Fiscal Year” or “FY” means the Recipient’s fiscal year, which runs from January 1 through December 31 each year.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
14. “Incremental Operating Costs” means the incremental expenses incurred by the NPCMU and the IPCMUs on account of Project implementation, management, and monitoring, including office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance costs, travel and supervision costs, and salaries of supporting staff, but excluding salaries of officials of the Recipient’s civil service.
15. “Indigenous Peoples Plan” or “IPP” means the Recipient’s plan, dated April 2008, outlining measures to ensure culturally appropriate social and economic benefits for the Batwa people under the Project and avoid, minimize, or mitigate or compensate for any potential adverse effects on the Batwa people associated with activities to be implemented under the Project, including the Subprojects, as the same may be updated from time to time with the prior written approval of the Association, and such term includes any schedules to the Indigenous Peoples Plan.
16. “Inter-Provincial Project Coordination and Management Unit” or “IPCMU” means each provincial unit established within the Ministry of Agriculture and Livestock pursuant to

the Recipient's Law No. 710/359/2004 of May 19, 2004 for purposes of Province-level coordination and management of the Project and referred to in Section I.A 4 of Schedule 2 to this Agreement.

17. "Local Implementing Agency" or "LIA" means a Provincial Agriculture and Livestock Department or a civil society organization, such as an NGO, rural micro-finance institution, private agricultural enterprise, agricultural consulting firm, or PO established and operating under the Recipient's laws, referred to in Section I.A 5 of Schedule 2 to this Agreement
18. "Matching Grant" means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Grant for the purpose of financing a Subproject.
19. "Matching Grant Agreement" means an agreement between the Recipient and a Beneficiary, providing for a Matching Grant to the Beneficiary for the purpose of financing a Subproject.
20. "Ministry of Agriculture and Livestock" or "MAE" means the *Ministère de l'Agriculture et de l'Élevage*, the ministry of the Recipient responsible for agriculture and livestock.
21. "Ministry of Finance" means the ministry of the Recipient responsible for finance.
22. "Ministry of Land Management, Environment, and Tourism" or "MATE" means the *Ministère de l'Aménagement du Territoire, de l'Environnement et du Tourisme*, the ministry of the Recipient responsible for land management, environment, and tourism.
23. "Ministry of Reinsertion and Reintegration of Internally Displaced Persons and Returnees" or "MRRDR" means the *Ministère de la Réinsertion et de la Réinstallation des Déplacés et des Rapatriés*, the ministry of the Recipient responsible for reinsertion and reintegration of internally displaced persons and returnees.
24. "National Project Coordination and Management Unit" or "NPCMU" means the unit established within MAE pursuant to the Recipient's Law No. 710/359/2004 of May 19, 2004 for purposes of overall coordination and management of the Project in accordance with the provisions of Section I.A 3 of Schedule 2 to this Agreement.
25. "National Project Steering Committee" or "NPSC" means the policy-making body established pursuant to the Recipient's Law No. 710/360/2004 of May 19, 2004 for purposes of oversight of the Project in accordance with the provisions of Section I.A 1 of Schedule 2 to this Agreement.

26. “NGO” means a non-governmental organization established and operating as such under the laws of the Recipient.
27. “Original Financing Agreement” means the development grant agreement between the Recipient and the Association, dated August 3, 2004, for an Agricultural Rehabilitation and Sustainable Land Management Project, as amended to the date of this Agreement (Grant No. H117-BU).
28. “Original Project” means the Project described in the Original Financing Agreement.
29. “Pest Management Plan” or “PMP” means the part of the EA describing the measures to be taken for development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation.
30. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
31. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 26, 2008 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.
32. “Producer Organization” or “PO” means an organization established and operating as a cooperative under the Recipient’s Law No. 1/002 of March 6, 1996, and comprising at least five (5) producers, whether farmers, livestock breeders, or non-farmers / livestock breeders.
33. “Program” means the program designed to rehabilitate the Recipient’s agricultural sector and promote sustainable land management in its territory and set forth or referred to in the letter dated June 10, 2004 from the Recipient to the Association.
34. “Project Implementation Manual” or “PIM” means the Recipient’s manual dated March 25, 2008, outlining *inter alia*, financial management, procurement, and disbursement arrangements, environmental and social management and monitoring arrangements for the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any schedules to the PIM.
35. “Province” means an administrative area of the Recipient, established pursuant to the Recipient’s Law No. 1/29 of September 24, 1982, representing a designated area and population within the territory of the Recipient.

36. “Resettlement Policy Framework” or “RPF” means the part of the EA describing the procedures to be followed in the event that land acquisition is made in the course of Project implementation which causes involuntary resettlement and / or loss of livelihoods of the displaced persons, and for offsetting, reduction, or mitigation of any adverse impact of such resettlement and / or loss.
37. “Subproject” means a specific development activity under Part A.1 of the Project and financed or to be financed under a Matching Grant.
38. “Technical Monitoring Committee” or “TMC” means the technical monitoring committee referred to in Section I.A 2 of Schedule 2 to this Agreement.
39. “Technical Monitoring Sub-Committee” or “TMS” means either of the two technical monitoring sub-committees referred to in Section I.A 2 of Schedule 2 to this Agreement.
40. “Training” means the training of persons under Part B of the Project carried out in accordance with the work plans and budgets referred to in Section I.D of Schedule 2 to this Agreement and approved by the Association, such term to include travel and subsistence of participants of seminars, workshops, and study tours, rental of training facilities, services of trainers and presenters, preparation and reproduction of training materials, and other costs directly related to preparation and implementation of training programs.

## **Section II. Amendment to Original Financing Agreement**

The Original Financing Agreement is amended as set forth below.

1. The following definition of “Indigenous Peoples Plan” is added as paragraph (x) of Section 1.02, and the current paragraphs (x) to (ggg) are renumbered as (y) to (hhh) accordingly:

“(x) “Indigenous Peoples Plan” or “IPP” means the Recipient’s plan, dated April 2008, outlining measures to ensure culturally appropriate social and economic benefits for the Batwa people under the Project and avoidance, minimization, or mitigation of or compensation for any potential adverse effects on the Batwa people associated with activities to be implemented under the Project, including the Subprojects, as the same may be updated from time to time with the prior written agreement of the Association, and such term includes any schedules to the Indigenous Peoples Plan.”

2. Section IV of Schedule 4 is amended to read as follows:

“IV. Safeguard Policies

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the EA, including the DSA, ESMF, EMP, PMP and RPF, and the IPP and, except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of the aforementioned without the prior written approval of the Association.”