
GRANT NUMBER E2820-BI

Financing Agreement and Amendment to the Original Financing Agreement

**(Additional Financing for the Burundi Digital Foundations Project –
Modernization of Public Financial Management)**

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER E2820-BI

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of: (i) providing additional financing for the Original Project; and (ii) amending the Original Financing Agreement as set forth in Schedule 3 to this Agreement. 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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty-two million Special Drawing Rights (SDR 32,000,000) (“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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is Dollar.

(b) the Association's Electronic Address is:

Telex: 248423 (MCI) Facsimile: +1-202-477-6391 E-mail: burundiwb@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF BURUNDI

By



Authorized Representative

Name: H.E. Audace NIYONZIMA

Title: Minister of Finance, Budget and Economic Planning

Date: 25-Jan-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Hawa Wague

Title: Country Manager

Date: 22-Jan-2024

SCHEDULE 1

Project Description

The objective of the Project is to increase broadband internet access, especially to underserved communities, and improve the Recipient's capacity to manage resources more effectively and deliver public services digitally.

The Project consists of the following parts:

Part 1: Digital Access and Inclusion

1.1. Enabling Environment for Broadband and e-Service Access

Support the development of key policy, legal, governance, and regulatory frameworks conducive to enabling broadband and e-service access:

- (a) **Digital Access and Inclusion Analytics and Policy Frameworks:** Provide technical assistance to: (i) carry-out a survey to better understand demand-side access/usage constraints and inform the design and targeting of digital access schemes and e-services launched under the Project; (ii) conduct a comprehensive sector analysis and market study, with a view to identifying key market bottlenecks and provide recommendations for sustainable sector development; (iii) develop an updated broadband strategy and accompanying sector roadmap; (iv) develop a new digital inclusion strategy; and (v) prepare a strategic plan for the FSU.
- (b) **Enhanced Broadband Market Governance and Legal Frameworks:** Support MINCOTIM and MFBPE with technical assistance to: (i) update the legal framework governing the ICT sector to facilitate broadband market development; and (ii) introduce a fiscal framework that favors universal broadband access objectives.
- (c) **Improved ICT Regulation:** Provide technical assistance, equipment and software to strengthen the independent regulatory and market observatory function of ARCT, which includes support to: (i) develop a new five-year strategy for ARCT; (ii) introduce analytical, monitoring and evaluation tools and models that enhance applied telecoms/ICT regulation; (iii) improve spectrum management; (iv) enhance quality of service monitoring; (v) develop regulatory standards for climate-smart and energy-efficient digital infrastructure, based on best practice standards; (vi) increase the collection and publication of key market and project results metrics; and (vii) enhance regulation of emerging technology.

1.2. Local Connectivity Access

Boost access to broadband through local connectivity access investments that help bridge existing network coverage gaps, targeting rural communities and leveraging public funding to catalyze commercial investment:

- (a) **Rural Internet Access Scheme:** Provide extension of broadband connectivity services to rural areas through commercial services providers, including through technical and transaction advisory services to conduct a detailed mapping of the broadband market, develop bidding documents, and support monitoring of implementation.
- (b) **Higher Education Connectivity Scheme:** Support BERNET, allowing it to enhance its support to HEIs, through: (i) pre-payment of BERNET's membership fee in Africa Connect 2 and 3; (ii) capacity building and training that will strengthen the central BERNET management team; and (iii) development of a long-term business plan for sustainable BERNET expansion.

1.3. Local Access and Digital Inclusion Enablers

Address key demand-side barriers that hamper access to digital services, focusing on underserved communities, especially rural areas, women and girls, and vulnerable groups as well as other user-groups in priority sectors:

- (a) **Outreach and Communications Campaign:** Raise awareness of the benefits that stem from digital usage, as well as the access schemes to be financed, using a range of engagement channels.
- (b) **Smart Device Access Scheme:** Expand access to broadband-compatible devices, through: (i) financing of device, using a range of modalities; (ii) technical assistance to refine the Smart Device Access Scheme's design, including the development of a Smart Device Access Scheme Manual; and (iii) development of digital centers in public education institutions (including schools, vocational training centers etc.).
- (c) **Basic Digital Literacy Scheme:** Deploy a basic digital literacy scheme, developed using an iterative approach and user-centered design principles, including task-based learning, use of applications relevant to end-users and curricula tailored to distinct user groups.

Part 2: Digital Public Service Delivery Enablers

2.1. Institutional, Legal, Governance and Technology Frameworks for e-Services

Support the development of the foundational frameworks that enable secure and efficient digital service delivery and boost capacity for secure and transparent use of public resources:

- (a) **National Strategies and Governance Frameworks for e-Services:** Develop national strategies, policies, institutional and governance frameworks for data management and data protection, cybersecurity, and cybercrime through technical assistance, covering: (i) an evaluation of the ICT sector policy (PNDTIC) and the updating of its action plan; (ii) the development of an e-government strategy; (iii) a review of the organizational framework for digital government; (iv) a Cybersecurity Maturity Model assessment and the development of a national strategy and roadmap for cybersecurity and cybercrime, including an institutional framework; (v) a data inventory, national data strategy and data governance model, including the development of a national data protection strategy and implementation plan; and (vi) awareness and sensitization of high-level government officials.
- (b) **New and Updated Legal Frameworks and Regulation for Trusted Digital Service Delivery:** Provide legal advisory services to support the MINCOTIM, the ARCT and the BRB to develop enabling legal and regulatory frameworks for the digital economy and online service delivery, including, *inter alia*, legal frameworks on: (i) e-transactions; (ii) data protection; (iii) cybercrime and cybersecurity; and (iv) personal identification.
- (c) **Technical Frameworks:** Provide technical assistance to support: (i) a diagnostic of existing e-government infrastructure, ICT, data assets and digital public services; (ii) the development of a GEA and an interoperability framework for government IT infrastructure; and (iii) the development of technical specifications for a national data exchange solution.

2.2. Shared Digital Government Infrastructure and Platforms

Improve the Recipient's capacity to deliver public services digitally by introducing secure core shared government digital infrastructure, platforms, and capabilities, including targeted awareness initiatives and digital skills trainings, laying the foundations for building digital services for people (G2P) and businesses (G2B):

- (a) **Government Network Planning and Operation Center Upgrade:** Provide: (i) technical assistance to support network optimization and planning for upgrading and expanding the COMGOV physical and virtual network, including climate-proofing; (ii) infrastructure upgrades of the central government NOC managed by SETIC; and (iii) training for civil servants on the management and use of related systems/infrastructure.
- (b) **Data Infrastructure and Interoperability:** Support shared public data infrastructure, including: (i) a technical solution for interoperability, including its connection to information systems and technical assistance to support supervision of its deployment and management; (ii) public key infrastructure to enable secure transactions; and (iii) technical assistance for developing a data hosting strategy and business plan.
- (c) **Digital Payment Infrastructure:** Support: (i) the upgrade of BRB's national payment infrastructure to enhance Recipient's capacity for expanding the use of digital payments; (ii) the upgrade of BI-Switch to enable interoperability amongst payment service providers; and (iii) capacity building of BRB and BI-Switch staff, including technical assistance to support infrastructure deployment through external expertise and training.
- (d) **Digital Identification:** Provide: (i) technical assistance to develop a national digital ID strategy for service delivery; and (ii) knowledge exchange on digital ID and civil registration.
- (e) **Cyber Resilience and Data Protection.** Reinforce cybersecurity and data protection to safeguard digital services and the digital economy, including support for: (i) developing cybersecurity standards, compliance and auditing framework for the public and private sectors; (ii) building the capacity of the national C-SIRT and ICT officials across the public sector to conduct threat intelligence and prevent, mitigate and respond to incidents and attacks; (iii) establishing an independent data protection authority; (iv) developing data protection standards, risk assessments, audit frameworks and regulations; (v) capacity building of data protection authority staff and data protection officers across the public and private sectors; (vi) establishing formal training and educational programs for the wider population, including for school students at different levels; and (vii) carrying out public awareness campaigns.

2.3. Digitalization of Select Services and Flagship Use-Cases

Digitalize G2G, G2P and G2B services, selected based on impact on digital inclusion, readiness for digitization, efficiency gains, and potential for social and economic impact, covering software, related hardware, and technical assistance necessary for all selected services:

- (a) **Shared Government Services and Applications:** Create core services and applications for public administration, including shared and pooled services, such as: (i) a SMS notification system; and (ii) an upgraded Recipient's public portal for e-services.
- (b) **Digitization of Flagship Public and Administration services:** Support universally accessible G2B and G2P services that leverage the shared infrastructures and services introduced, through high-impact use cases.

2.4. Modernization of Public Financial Management (PFM)

Enhance the efficiency and transparency in the use of public resources for service delivery through the use of digital tools for core PFM systems and human resources management:

- (a) **Budget preparation, execution, accounting, and reporting.** Support to (i) enhance internal controls to budget execution; (ii) adapt budget preparation and accounting practices to program budgeting; and (iii) enhance data processing capabilities needed for the sustainable operation of the new PFM digital processes; through the provision of technical assistance and Trainings as well as acquisition and roll-out of new Integrated Financial Management Information Systems (IFMIS).
- (b) **Treasury management.** Support to consolidate the treasury single account architecture by (i) providing technical assistance to establish the organizational and operational structure around the treasury single account (TSA); (ii) designing and rolling out of the digital connections (interface) between the IFMIS, the integrated tax administration system and Central Bank systems required for efficient consolidation; and (iii) upgrading the systems to meet the operational requirements of the TSA.
- (c) **Tax administration.** Support to enhance (i) risk-based control practices and (ii) public reporting and transparency of the tax administration; through: (i) the acquisition and roll-out of new integrated tax administration system; and (ii) the provision of technical assistance and Trainings to: (A) adopt integrated tax administration system; (B) develop data-driven risk assessments in the audits and control process; and (C) develop the practice of public reporting and transparency of the tax administration.
- (d) **Public investment management and reform coordination.** Support to enhance the efficiency, impact, and climate change sensitivity of: (i) public investment projects (including externally funded); and (ii) macro-fiscal and PFM reforms; through: (i) the provision of technical assistance to: (A) strengthen the public investment management cycle; (B) enhance

climate change-informed public investment planning and monitoring; (C) supervise externally and domestically funded investment projects; (D) improve public investment projects performance; and (E) prepare capacity assessments and strategic planning for key reform areas (such as state owned enterprises governance); (ii) the acquisition and roll-out of IT system to supervise public investment projects; (iii) the provision of technical assistance and Trainings to the Reform Coordination Unit to develop its mission, strategy, organizational set-up and standard operating procedures and the acquisition of hardware and software.

- (e) **Public procurement.** Provision of technical assistance: (i) to enhance the transparency, efficiency, and accountability of the public procurement system while; (ii) preparing the procurement processes for an evolution towards an e-procurement and monitoring and evaluation system (e-GP).
- (f) **Human resources and payroll management.** Support to: (i) consolidate and improve the reliability of the civil servants database and eliminate potential inconsistencies in the MFPTE database and ensure transparent and reliable management of the payroll system; (ii) reinforce Human Resources Management control systems including attendance at key ministries, identity verification, and retirement protocols; and (iii) enhance the efficiency and reliability of career management functions at the MFPTE; through the (i) provision of technical assistance and Trainings to (A) design and roll-out a biometric census and ID system; (B) reinforce the payroll controls; (C) adopt the existing modules of OpenPRH; (D) customize OpenPRH as needed; (E) digitalize the records; (F) build digital skills and competencies within MFPTE and human resources units within the Recipient's ministries, departments and agencies; (G) build capacity on data management practices; and (ii) acquisition of equipments to use OpenPRH as well as interconnections and interfacing with other PFM systems.

Part 3: Institutional Coordination and Project Management

Support the Recipient's Project management and coordination capacity, including procurement, financial management, monitoring and evaluation, as well as environmental and social safeguards management:

- (a) strengthen the capacity of SETIC, where the new Project Implementation Unit is set to be established, and its coordination with other MDAs;
- (b) build public sector's ability to attract, build, and retain skills for implementing whole-of-government digital transformation;

- (c) cover operating and staff costs of the Project Implementation Unit, including the recruitment of expert consultants in key areas;
- (d) develop and maintain a dedicated website for the Project;
- (e) support for stakeholder consultations and monitoring and evaluation work;
- (f) carry out quality assurance to ensure adherence to best practices on procurement related to technology, facilitate on-the-job learning, and transfer competencies;
- (g) rehabilitate a site provided by the Ministry in charge of Infrastructure to host the offices for the PIU as well as governmental institutions working on digital initiatives in the future; and
- (h) support the Recipient's key priorities through technical assistance and Training as further detailed in the TA Manual.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

- (a) The Recipient shall maintain, at all times during the implementation of the Project, a Project steering committee with a mandate, composition and resources satisfactory to the Association (“Project Steering Committee”).
- (b) Without limitation upon the provisions of paragraph (a) of Section I.A.1 of this Schedule 2, the Project Steering Committee shall be chaired by a representative of the Prime Minister’s Office, with the permanent secretaries of the Recipient’s ministry responsible for finance and MINCOTIM as vice-chairs, and the Project coordinator as secretary, and shall be comprised of, *inter alia*, representatives from the Recipient’s President’s Office and Prime Minister’s Office, the director general of ARCT, a representative from BRB, OBR, ARMP and the permanent secretaries of the Recipient’s ministries in charge of interior, solidarity, education, civil service as well as representatives of the ICT Sectoral Chamber and the Association of Burundian Consumers.
- (c) The Project Steering Committee shall meet bi-annually (and on an extraordinary basis as needed) and shall be responsible for Project oversight, including *inter alia*: (i) the approval of the Annual Work Plan and Budgets; (ii) bi-annual review of Project progress; and (iii) provision of strategic guidance and recommendations to the Project Implementation Unit and the Project Technical Committee in relation to Project implementation and/or any restructuring as needed.

2. Project Technical Committee

- (a) The Recipient shall maintain, at all times during the implementation of the Project, a technical committee with a mandate, composition and resources satisfactory to the Association (“Project Technical Committee”).
- (b) Without limitation upon the provisions of paragraph (a) of Section I.A.2 of this Schedule 2, the Project Technical Committee shall be chaired by the director general for ICT from MINCOTIM, with a representative of ARCT as vice-chair and the Project coordinator as secretary and shall be comprised of, *inter alia*, representatives from SETIC, BRB, OBR, ARMP

and the Recipient's ministries in charge of finance, interior, civil service, solidarity and education.

- (c) The Project Technical Committee shall be responsible for the technical aspects of the Project, including, *inter alia*: (i) submitting the Annual Work Plans and Budgets to the Project Steering Committee; (ii) carrying out monitoring and evaluation of the progress of Project implementation; (iii) facilitating coordination and harmonization of intervention approaches; (iv) identifying challenges and recommend appropriate measures; (v) identifying lessons learned and good practices to be shared across the project intervention areas; and (vi) overseeing globally and regularly that the Project Implementing Unit adopts measures to achieve the Project development objective and proposes, if necessary, reorientation after advice and consideration of the Project Steering Committee.

3. Project Implementation Unit

- (a) The Recipient shall maintain, at all times during Project implementation, a Project implementation unit, under the administrative authority of SETIC, with composition, terms of reference and resources satisfactory to the Association ("Project Implementation Unit"), as further detailed in the Project Implementation Manual.
- (b) Without limitation upon the provisions of Paragraph (a) of Section I.A.3 of this Schedule 2, the Project Implementation Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, the Recipient shall hire: (A) not later than two (2) months after the Effective Date: one social, gender-based violence and gender specialist; and (B) not later than three (3) months after the Effective Date: one deputy coordinator in charge of public financial management, one accounting assistant, one assistant procurement specialist, one communications specialist, one technical specialists on digital infrastructure and one additional senior procurement specialist; (ii) thereafter maintain all these staff including the Project coordinator, the head of operations, the senior financial management specialist, the senior procurement specialist, the environmental specialist, the accountant, the monitoring and evaluation specialist and the technical specialist on digital government; all with qualifications, experience, and terms of reference acceptable to the Association as further detailed in the PIM; and (iii) be responsible for day-to-day Project coordination and implementation, including, *inter alia*: (A) preparing proposed annual work plans of activities for inclusion in the Project, and updating the procurement plan and related budgets and consolidating Project Reports for the Project Steering Committee's and Project Technical Committee's review; (B) carrying out all Project financial management, procurement activities and

contract execution; (C) managing environmental and social safeguards related to the Project; and (D) monitoring and evaluating the Project.

B. Project Implementation Manual and TA Manual

1. No later than one (1) month after Effective Date, the Recipient shall update, in accordance with terms of reference acceptable to the Association, the Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and social management; and (f) such other administrative, financial, technical, institutional and organizational arrangements and procedures as shall be required for the Project.
2. The Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt: (a) such manual as it applies to the Project overall implementation; (b) technical aspects of the manual as it applies to the Project; as shall have been approved by the Association (“Project Implementation Manual”).
3. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision of either one thereof, without the prior written consent of the Association.
4. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.
5. Without limitation to the generality of paragraphs 1-4 above, prior to implementing Part 3(h) of the Project, the Recipient shall:
 - (a) finalize and thereafter adopt a TA Manual containing the terms of reference for the technical assistance and Trainings for Part 3(h) of the Project, under terms and conditions acceptable to the Association, and, upon approval by the Association of the TA Manual, integrate said manual as an annex to the PIM;
 - (b) implement Part 3(h) of the Project accordance with the TA Manual; and
 - (c) not amend, abrogate or waive the TA Manual without the prior written approval of the Association. In case of any conflict between the terms of the TA Manual, and the terms of this Agreement, the terms of this Agreement shall prevail.

C. Smart Device Access Schemes and Smart Device Access Scheme Manual

1. To facilitate the carrying out of Part 1.3(b)(i) of the Project, the Recipient shall make the proceeds of the Financing allocated to Category (2) (Smart Device Access Scheme) available to selected eligible Beneficiaries under an agreement (“Smart Device Access Scheme Agreement”) to be entered into between the Recipient and said Smart Device Access Scheme Beneficiaries, under terms and conditions approved by the Association and in accordance with the Project Implementation Manual.
2. The Recipient shall cause Beneficiaries to exercise their rights and carry out their obligations under the Smart Device Access Scheme Agreements in such a manner as to protect the interests of the Recipient and the Association in order to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall cause Beneficiaries not to amend, assign, abrogate, suspend, terminate, waive, or fail to enforce the Smart Device Access Scheme Agreements or any of their provisions.
3. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, the Smart Device Access Scheme Manual, containing detailed arrangements and procedures for Part 1.3(b)(i) of the Project, including: (a) institutional coordination and day-to-day execution of the scheme; (b) budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and social management; and (f) such other administrative, financial, technical, institutional and organizational arrangements and procedures as shall be required for the Project.
4. The Recipient shall afford the Association a reasonable opportunity to review and approve such Smart Device Access Scheme Manual, and shall thereafter adopt: (a) such manual as it applies to Part 1.3(b)(i) of the Project’s implementation; and (b) technical aspects of the manual as it applies to Part 1.3(b)(i) of the Project; as shall have been approved by the Association (“Smart Device Access Scheme Manual”).
5. The Recipient shall carry out Part 1.3(b)(i) of the Project in accordance with the Smart Device Access Scheme Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any of their provisions, without the prior written consent of the Association.
6. In the event of any conflict between the provisions of the Smart Device Access Scheme Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plans and Budgets

1. Without limitation to the obligations set forth in Section I.B above, the Recipient shall carry out the Project in accordance with Annual Work Plans and Budgets to be prepared and furnished to the Association not later than February 28 of each year during the implementation of the Project (the first such Annual Work Plan and Budgets being due one month after the Effective Date), or any later date as agreed upon with the Association, and containing all activities proposed for inclusion in the Project for the next fiscal year, including: (a) detailed timetables for the sequencing and implementation of proposed Project activities; (b) types of expenditures required for such activities and a proposed financing plan; and (c) any Operating Costs or Training that may be required under the Project.
2. The Recipient shall afford the Association a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budgets; and thereafter ensure that the Project is implemented with due diligence during said following year in accordance with such Annual Work Plan and Budgets as shall have been approved by the Association.
3. The Annual Work Plans and Budgets may only be amended from time to time in consultation with, and after approval of, the Association. In case of any conflict between the terms of the Annual Work Plans and Budgets and those of this Agreement, the terms of this Agreement shall prevail.

E. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Association shall otherwise agree in writing, as

specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of the ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.
7. The Recipient shall, not later than three (3) months after the Effective Date, or any other such date agreed by the Association, prepare, consult upon, adopt, and disclose the EWHMMP in form and substance satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each semester, covering the semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

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, Operating Costs and Training for Parts 2.4 and 3(g) of the Project	30,475,000	100%
(2) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 3(h) of the Project	1,525,000	100%
TOTAL AMOUNT	32,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for payments under Category (2) until and unless the Association has received the TA Manual, in form and substance satisfactory to the Association.
2. The Closing Date is August 30, 2028.

Section IV. Other Undertakings

No later than two (2) years after Effective Date and before conducting the roll out of the biometric census and ID system under Part 2.4 (f) (i) (A) of the Project, the Recipient shall develop a data protection legal framework and establish and operationalize an independent data protection authority.

SCHEDULE 3

Amendments to the Original Project

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Schedule 1 to the Original Financing Agreement is modified to read as follows:

“The objective of the Project is to increase broadband internet access, especially to underserved communities, and improve the Recipient’s capacity to manage resources more effectively and deliver public services digitally.”

2. Part 2.1 of Schedule 1 to the Original Financing Agreement is modified to read as follows:

“2.1. Institutional, Legal, Governance and Technology Frameworks for e-Services

“Support the development of the foundational frameworks that enable secure and efficient digital service delivery and boost capacity for secure and transparent use of public resources:”

3. A new sub-component (Part 2.4) titled “Modernization of Public Financial Management (PFM)” is added to Schedule 1 of the Original Financing Agreement, to read as follows:

“2.4. Modernization of Public Financial Management (PFM)

Enhance the efficiency and transparency in the use of public resources for service delivery through the use of digital tools for core PFM systems and human resources management:

- (a) *Budget preparation, execution, accounting, and reporting. Support to (i) enhance internal controls to budget execution, (ii) adapt budget preparation and accounting practices to program budgeting, and (iii) enhance data processing capabilities needed for the sustainable operation of the new PFM digital processes; through the provision of technical assistance and Trainings as well as acquisition and roll-out of new Integrated Financial Management Information Systems (IFMIS).*
- (b) *Treasury management. Support to consolidate the treasury single account architecture by (i) providing technical assistance to establish the organizational and operational structure around the treasury single account (TSA); (ii) designing and rolling out of the digital connections (interface) between the IFMIS, the integrated tax administration system and Central Bank systems required for efficient consolidation; and (iii) upgrading the systems to meet the operational requirements of the TSA.*

- (c) *Tax administration. Support to enhance (i) risk-based control practices; and (ii) public reporting and transparency of the tax administration; through: (i) the acquisition and roll-out of new integrated tax administration system; and (ii) the provision of technical assistance and Trainings to: (A) adopt integrated tax administration system; (B) develop data-driven risk assessments in the audits and control process; and (C) develop the practice of public reporting and transparency of the tax administration.*

- (d) *Public investment management and reform coordination. Support to enhance the efficiency, impact, and climate change sensitivity of: (i) public investment projects (including externally funded) and (ii) macro-fiscal and PFM reforms; through: (i) the provision of technical assistance to: (A) strengthen the public investment management cycle; (B) enhance climate change-informed public investment planning and monitoring; (C) supervise externally and domestically funded investment projects; (D) improve public investment projects performance; and (E) prepare capacity assessments and strategic planning for key reform areas (such as state owned enterprises governance); (ii) the acquisition and roll-out of IT system to supervise public investment projects; (iii) the provision of technical assistance and Trainings to the Reform Coordination Unit to develop its mission, strategy, organizational set-up and standard operating procedures and the acquisition of hardware and software.*

- (e) *Public procurement. Provision of technical assistance (i) to enhance the transparency, efficiency, and accountability of the public procurement system while; and (ii) preparing the procurement processes for an evolution towards an e-procurement and monitoring and evaluation system (e-GP).*

- (f) *Human resources and payroll management. Support to: (i) consolidate and improve the reliability of the civil servants database and eliminate potential inconsistencies in the MFPTE database and ensure transparent and reliable management of the payroll system; (ii) reinforce Human Resources Management control systems including attendance at key ministries, identity verification, and retirement protocols; and (iii) enhance the efficiency and reliability of career management functions at the MFPTE; through the: (i) provision of technical assistance and Trainings to (A) design and roll-out a biometric census and ID system; (B) reinforce the payroll controls; (C) adopt the existing modules of OpenPRH; (D) customize OpenPRH as needed; (E) digitalize the records; (F) build digital skills and competencies within MFPTE and human resources units within the Recipient's ministries, departments and agencies; (G) build capacity on data management practices and (ii)*

acquisition of equipments to use OpenPRH as well as interconnections and interfacing with other PFM systems.

4. Part 3 of Schedule 1 to the Original Financing Agreement is modified to include the following Part 3 (g) and (h) to read as follows:

“(g) Rehabilitate a site provided by the Ministry in charge of Infrastructure to host the offices for the PIU as well as governmental institutions working on digital initiatives in the future; and

(h) Support the Recipient’s key priorities through technical assistance and Training as further detailed in the PIM.”

5. Section I.A.1(b) of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“Without limitation upon the provisions of paragraph (a) of Section I.A.1 of this Schedule 2, the Project Steering Committee shall be chaired by a representative of the Prime Minister’s Office, with the permanent secretaries of the Recipient’s ministry responsible for finance and MINCOTIM as vice-chairs, and the Project coordinator as secretary, and shall be comprised of, inter alia, representatives from the Recipient’s President’s Office and Prime Minister’s Office, the director general of ARCT, a representative from BRB, OBR, ARMP and the permanent secretaries of the Recipient’s ministries in charge of interior, solidarity, education, civil service as well as representatives of the ICT Sectoral Chamber and the Association of Burundian Consumers.”

6. Section I.A.2(b) of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“Without limitation upon the provisions of paragraph (a) of Section I.A.2 of this Schedule 2, the Project Technical Committee shall be chaired by the director general for ICT from MINCOTIM, with a representative of ARCT as vice-chair and the Project coordinator as secretary and shall be comprised of, inter alia, representatives from SETIC, BRB, OBR, ARMP and the Recipient’s ministries in charge of finance, interior, civil service, solidarity and education.”

7. Section I.A.3(b) of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“Without limitation upon the provisions of Paragraph (a) of Section I.A.3 of this Schedule 2, the Project Implementation Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, the Recipient shall hire (A) not later than two (2) months after the Effective Date: one social, gender-based violence and gender specialist; and (B) not later than three

(3) months after the Effective Date: one deputy coordinator in charge of public financial management, one accounting assistant, one assistant procurement specialist, one communications specialist, one technical specialists on digital infrastructure and one additional senior procurement specialist; (ii) thereafter maintain all these staff including the Project coordinator, the head of operations, the senior financial management specialist, the senior procurement specialist, the environmental specialist, the accountant, the monitoring and evaluation specialist and the technical specialist on digital government; all with qualifications, experience, and terms of reference acceptable to the Association as further detailed in the PIM; and (iii) be responsible for day-to-day Project coordination and implementation, including, inter alia: (A) preparing proposed annual work plans of activities for inclusion in the Project, and updating the procurement plan and related budgets and consolidating Project Reports for the Project Steering Committee's and Project Technical Committee's review; (B) carrying out all Project financial management, procurement activities and contract execution; (C) managing environmental and social safeguards related to the Project; and (D) monitoring and evaluating the Project."

8. Section I.B of Schedule 2 to the Original Financing Agreement is amended to read as follows:

"Project Implementation Manual and TA Manual

1. No later than one (1) month after Effective Date, the Recipient shall update, in accordance with terms of reference acceptable to the Association, the Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and social management; and (f) such other administrative, financial, technical, institutional and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt: (a) such manual as it applies to the Project overall implementation; (b) technical aspects of the manual as it applies to the Project; as shall have been approved by the Association ("Project Implementation Manual").

3. *The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision of either one thereof, without the prior written consent of the Association.*

4. *In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.*

5. *Without limitation to the generality of paragraphs 1-4 above, prior to implementing Part 3(h) of the Project, the Recipient shall:*

(a) finalize and thereafter adopt a TA Manual containing the terms of reference for the technical assistance and Trainings for Part 3(h) of the Project, under terms and conditions acceptable to the Association, and, upon approval by the Association of the TA Manual, integrate said manual as an annex to the PIM;

(b) implement Part 3(h) of the Project accordance with the TA Manual; and

(c) not amend, abrogate or waive the TA Manual without the prior written approval of the Association. In case of any conflict between the terms of the TA Manual, and the terms of this Agreement, the terms of this Agreement shall prevail.”

9. Section I.E.1 of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Emergency Response Part”), the Recipient shall”

10. The table under Section III.A of Schedule 2 to the Original Financing Agreement is amended to read as follows:

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, Operating Costs and Training for the Project (except for Category (2) below under Part 1.3(b)(i) of the Project) Pro memoria	600,100	100%
(2) Smart Device Access Scheme under Part 1.3(b)(i) of the Project	2,976,000	100% of amounts disbursed
(3) Emergency Expenditures under Part 4 of the Project	0	100%
(4) Refund of Preparation Advance	3,645,600	Amount payable pursuant to Section 2.07(a) of the General Conditions
(5) Goods, works, non-consulting services, consulting services, Operating Costs and Training for the Project (except for Part 1.3(b)(i), 2.4, 3(g) and 3(h) of the Project)	29,978,300	100%
TOTAL AMOUNT	37,200,000	

11. Section III.B.2 of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“The Closing Date is August 30, 2028.”

12. The following definitions are included in the Appendix of the Original Financing Agreement, and existing definitions are renumbered as needed:

““ARMP” means Autorite de Regulation des Marches Publiques, the Recipient’s public procurement authority established and operating under the Recipient’s

Decree n. 100-049 of April 2, 2022 « portant modification au décret n. 100-119 du 7 juillet 2008 portant création, organisation, et fonctionnement de l'Autorité de Régulation des Marchés Publics », or any successor thereto acceptable to the Association”.

“TA Manual” means the manual referred to in Section I.B.5 of Schedule 2 to this Agreement, as may be revised from time to time with the Association’s prior and written approval.”

APPENDIX

Definitions

1. “Africa Connect 2 and 3” means the 2nd and 3rd phases of the Africa Connect Initiative financed by the European Union, allowing members to access low-cost subsidized international connectivity, academic content, and training opportunities for higher education.
2. “Annual Work Plan and Budgets” means each annual work program and budget prepared by the Recipient and approved by the Association in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “ARCT” means *Agence de Régulation et de Contrôle des Telecommunications*, the Recipient’s telecom industry regulator, established and operating under the Recipient’s Decree No. 100/112 dated April 5, 2012, or any successor thereto acceptable to the Association.
5. “ARMP” means *Autorite de Regulation des Marches Publiques*, the Recipient’s public procurement authority established and operating under the Recipient’s Decree *n. 100-049 of April 2, 2022 « portant modification au décret n. 100-119 du 7 juillet 2008 portant création, organisation, et fonctionnement de l’Autorité de Régulation des Marchés Publics*, or any successor thereto acceptable to the Association.
6. “Association of Burundian Consumers” means *Association Burundaise des Consommateurs*, an association of consumers established and operating in the Recipient’s territory and under the Recipient’s laws.
7. “Beneficiary” or “Beneficiaries” means individuals or companies that have benefitted or are to benefit from Smart Device Access Schemes, as further detailed in the Smart Device Access Scheme Manual.
8. “BERNET” means Burundi Education and Research Network.
9. “BI-Switch” means the company in charge of the Recipient’s national payment switch, established and operating in the Recipient’s territory and under the Recipient’s laws.

10. “BRB” means *Banque de la République du Burundi*, the Recipient’s central bank, established and operating under the Recipient’s Law No. 1/34 dated December 2, 2008, or any successor thereto acceptable to the Association.
11. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
12. “COMGOV” means *Communication Gouvernementale*, the network connecting public institutions through secure fiber optic cables and providing internet capacity.
13. “C-SIRT” means Cyber Security Incident Response Team, the structure in charge of the Recipient’s cyber threat intelligence, prevention, mitigation and response to cyber security incidents and attacks.
14. “Cybersecurity Maturity Model” means a methodical framework designed to review a country’s cybersecurity capacity according to the standards published by the University of Oxford’s Global Cyber Security Capacity Centre.
15. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 15, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
16. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

17. “European Union” means a political and economic union of 27 member states that are located in Europe.
18. “EWHMMP” means E-Waste and Hazardous Materials Management Plan, the document to be prepared, consulted upon, adopted, and disclosed by the Recipient for e-waste and hazardous materials management under the Project, as set out in the ESCP and in accordance with the Environmental and Social Standards.
19. “FSU” means *Fonds de Service Universel*, the fund designed to finance exclusively activities related to universal service in the ICT sector, as established and operating under the Recipient’s Decree No. 100/186 dated October 16, 2017, or any successor thereto acceptable to the Association.
20. “GEA” means Government Enterprise Architecture.
21. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
22. “G2B” or “G2Bs” means Government to Business, the communications and transactions that take place between the Recipient and a business.
23. “G2G” or “G2Gs” means Government to Government, the communications and transactions that take place between one Recipient’s agency to another.
24. “G2P” or “G2Ps” means Government to Persons, the communications and transactions that take place between the Recipient and a physical person.
25. “HEIs” means Higher Education Institutions, which includes universities and colleges, as well as professional, technical, and vocational education institutions.
26. “ICT” means Information and Communication Technologies.
27. “ICT Sectoral Chamber” means the *Chambre Sectorielle des Technologies de l’Information et la Communication du Burundi*, a sectoral chamber which represents the private sector community in the Project Steering Committee.
28. “ID” means identification.
29. “MDAs” means Ministries, Department and Agencies, and generally refers to all public administration institutions in the Recipient’s territory.
30. “MFBPE” means *Ministère des Finances, du Budget et de la Planification Economique*, the Recipient’s Ministry in charge of finance, budget and economic planning, or any successor thereto satisfactory to the Association.

31. “MFPTE” means *Ministère de la fonction publique, du travail et de l’emploi*, the Recipient’s Ministry in charge of civil Service, labor, and employment, or any successor thereto satisfactory to the Association.
32. “MINCOTIM” means *Ministère de la Communication, des Technologies de l’Information et des Médias*, the Recipient’s Ministry in charge of communications, information technologies and media, or any successor thereto satisfactory to the Association.
33. “NOC” means Network Operations Center, the structure in charge of network monitoring and control, and/or network management, including for the management of the COMGOV network under Part 2.2 of the Project
34. “OBR” means *Office Burundaise des Recettes*, the Burundian revenue authority, or any successor thereto satisfactory to the Association.
35. “OpenPRH” means the Recipient’s human resources management system.
36. “Operating Costs” means the reasonable incremental expenses incurred in connection with Project implementation for PIU, and other relevant institutions of the Recipient, including consumable materials and supplies, utilities, fuel and oil, communications, administrative fees, surveys and census costs, scholarships and stipends, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service and Training.
37. “Original Project” means the Project activities as described in Schedule 1 to the Original Financing Agreement.
38. “Original Financing Agreement” means the financing agreement (Grant Number E0930-BI) for the Burundi Digital Foundation Project between the Republic of Burundi and the International Development Association, dated September 1, 2022, as amended to date.
39. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification, number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
40. “PFM” means public financial management.

41. “PNDTIC” means *Politique Nationale de Développement des Technologies de l’Information et la Communication du Burundi (2010-2025)*, the Recipient’s national ICT sector strategy, as established and operating under the reference document dated November 2010, as published by the Recipient: https://mincotim.gov.bi/wp-content/uploads/2021/06/PNDTIC-BURUNDI_2010-14Mars_2011.pdf.
42. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
43. “Project Implementation Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement, as may be revised from time to time with the Association’s prior and written approval.
44. “Project Implementation Unit” means the Project’s coordination unit within the administrative authority of SETIC established and referred to in Section I.A.3 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.
45. “Project Report” or “Project Reports” means any or all the reports on the progress of the Project presented in accordance with the provisions of the Project Implementation Manual.
46. “Project Steering Committee” means the committee referred to under Section I.A.1 of Schedule 2 to this Agreement.
47. “Project Technical Committee” means *Comité Technique de Suivi*, the committee in charge of providing technical and operational support which reports to the Project Steering Committee, as referred to in Section I.A.2 of Schedule 2 to this Agreement and as further detailed in the Project Implementation Manual.
48. “SETIC” means *Secrétariat Exécutif des TIC*, the Recipient’s secretariat in charge of executing digital initiatives and supporting the implementation of ICT sector strategies, as established and operating under the Recipient’s Decree No. 100/287 dated October 15, 2007.
49. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
50. “Smart Device Access Scheme” or “Smart Device Access Schemes” means the range of modalities leveraged to support access to electronic broadband-compatible devices, *inter alia*, subsidies, community-based approaches as well as other innovative access models such as leasing of smart devices to individuals via

associations/community-based centers/organizations as well as use of bulk purchase; as further detailed in the Smart Device Access Scheme Manual.

51. “Smart Device Access Scheme Agreement” means the contract signed between the Recipient and a Beneficiary of the Smart Device Access Scheme as further detailed in the Smart Device Access Scheme Manual.
52. “Smart Device Access Scheme Manual” means the manual referred to in Section I.C of Schedule 2 to this Agreement, as may be revised from time to time with the Association’s prior and written approval.
53. “SMS” means short message service.
54. “TA Manual” means the manual referred to in Section I.B.5 of Schedule 2 to this Agreement, as may be revised from time to time with the Association’s prior and written approval.
55. “Training” means expenditures incurred by the Recipient in connection with carrying out training activities under the Project (excluding consulting services), including travel costs, accommodation and *per diem* for local trainees, study tours, workshops, conferences, rental of facilities and equipment, and training materials and related supplies.