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GRANT NUMBER E2650 -BI

# Project Agreement

(Burundi Jobs and Economic Transformation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

AGENCE DE DÉVELOPPEMENT DU BURUNDI

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## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and *Agence de Développement du Burundi* (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the REPUBLIC OF BURUNDI (“Recipient”) and the Association, concerning Grant No. E2650-BI. The Association and the Project Implementing Entity hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

### **ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the Signature Date.

### **ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its director general.
- 4.02. For purposes of Section 11.01 of the General Conditions:
  - (a) the Association’s address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America; and

(b) the Association's Electronic Address is:

Telex:                      Facsimile:                      E-mail:  
248423(MCI) or              1-202-477-6391              [azeufack@worldbank.org](mailto:azeufack@worldbank.org)

4.03. For purposes of Section 11.01 of the General Conditions:

(a) the Project Implementing Entity's address is:  
Boulevard Mwezi Gisabo, Mutanga Nord, Immeuble Asharif  
B.P. 7075  
Bujumbura  
Burundi; and

(b) the Project Implementing Entity's Electronic Address is:

E-mail:  
[contact@investburundi.bi](mailto:contact@investburundi.bi)

AGREED as of the later of the two dates written below.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Hawa Wague*

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**Authorized Representative**

**Name:** Hawa Wague

**Title:** Country Manager

**Date:** 13-Dec-2023

**AGENCE DE DÉVELOPPEMENT DU BURUNDI**

**By**

*Didace NGENDAKUMANA*

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**Authorized Representative**

**Name:** Didace NGENDAKUMANA

**Title:** Director General

**Date:** 15-Dec-2023

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. ADB-PIU

- (a) The Project Implementing Entity shall establish and maintain, at all times during Project implementation, a Project implementation unit, under the administrative authority of the Project Implementing Entity and under the general supervision of MoF, with composition, terms of reference and resources satisfactory to the Association (“ADB-PIU”).
- (b) Without limitation upon the provisions of Paragraph (a) of this Section, the ADB-PIU shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, the Recipient shall maintain throughout the Project implementation all the key staff referred to in the Project Implementation Manual; as well as all the necessary support personnel as further detailed in the Project Implementation Manual; all with qualifications, experience and terms of reference acceptable to the Association, as per the Project Implementation Manual; and (ii) be responsible for day-to-day Project coordination and implementation of the Project, 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 review; (B) carrying out all Project financial management, procurement activities and contract execution; and (C) monitoring and evaluating the Project.

##### 2. Technical Committee

No later than two (2) months from the Effective Date, the Project Implementing Entity shall establish and maintain, at all times during Project implementation, a technical committee (“Technical Committee”) chaired by the Permanent Secretary and with composition, terms of reference and resources satisfactory to the Association. The Technical Committee shall be responsible to assist the PIU in the preparation of the annual work plans of activities, providing feedback on the reports prepared by the PIU and facilitating the Project’s communication between the PIE and the Project Entities or Line Ministries.

**B. Project Implementation Manual and PPCG Manual**

1. The Project Implementing Entity shall prepare in collaboration with the Recipient, in accordance with terms of reference acceptable to the Association, a 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; (f) model forms for Cooperation Agreements; (g) grievance redress mechanism and codes of conduct; (h) Verification Protocol and (i) such other administrative, financial, technical, institutional and organizational arrangements and procedures as shall be required for the Project.
2. The Project Implementing Entity and Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt such manual, as it applies to the Project overall implementation as shall have been approved by the Association (“Project Implementation Manual”).
3. The Project Implementing Entity and 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 the Financing Agreement, the provisions of the Financing Agreement shall prevail.
5. Without limitation to the generality of paragraphs 1-4 above, the Project Implementing Entity in collaboration with the Recipient shall prior to the provision of any PPCG under Part 2.2(i)(d) of the Project:
  - (a) finalize and thereafter adopt a PPCG Manual under terms and conditions acceptable to the Association, and, upon approval by the Association of the PPCG Manual, integrate said manual as an annex to the PIM;
  - (b) implement or cause to implement the PPCGs under Part 2.2(i)(d) of the Project accordance with the PPCG Manual; and
  - (c) not amend any of the PPCG Manual without the prior written approval of the Association. In case of any conflict between the terms of the PPCG Manual, and the terms of the Financing Agreement, the terms of the Financing Agreement shall prevail.

**C. Annual Work Plans and Budgets**

1. Without limitation to the obligations set forth in Section I.C above, the Project Implementing Entity shall carry out the Project in accordance with Annual Work Plans and Budgets to be prepared by the ADB-PIU and furnished to the Association not later than May 31 of each year during the implementation of the Project (the first such Annual Work Plan and Budget being due two (2) months 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 calendar 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, Training, Competitive Grant, Performance Grant, Insurance Premium Subsidy, or Matching Grant that may be required under the Project.
2. The Project Implementing Entity, through the ADB-PIU, shall afford to afford the Association a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budget; and thereafter ensure that the Project is implemented with due diligence during said following year in accordance with such Annual Work Plan and Budget 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 the Financing Agreement, the terms of the Financing Agreement shall prevail.

**E. Matching Grants under Part 1.1(i), Competitive Grants under Part 1.2(ii), Performance Grants under Part 1.3(ii) and Insurance Premium Subsidies under Part 2.2(ii)(c) of the Project**

1. For purposes of Parts 1.1(i), 1.2(ii), 1.3(iii) and 2.2(ii) of the Project, the Project Implementing Entity shall make Matching Grants, Competitive Grants, Performance Grants and Insurance Premium Subsidies, respectively and as the case may be, to MSMEs in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the Matching Grants Manual, the Competitive Grants Manual, the Performance Grants Manual and the Insurance Premium Subsidies Manual, respectively, which shall include the following:
  - (a) Matching Grants shall be provided through a Project Implementation Partner to MSMEs to finance their productive infrastructure and digital platforms that serve MSMEs in the selected value chains;
  - (b) Competitive Grants shall be provided through a Project Implementation Partner to MSMEs to improve technological intensity, use of climate-resilient, climate-friendly and digital technologies, including technology

kits and operational costs allocated through a business plan competition process;

- (c) Performance Grants shall be provided through a Project Implementation Partner to MSMEs to finance equipment, technology, Operating Costs (including salaries), marketing, engineering, upgrading of productive facilities, access to infrastructure and other consulting services and associated costs; and
  - (d) Insurance Premium Subsidies shall be provided through a Project Implementation Partner to MSMEs for the payment of Agricultural Insurance Premia.
2. The Project Implementing Entity shall make each Matching Grant, Competitive Grant, Performance Grant, and Insurance Premium Subsidy under a Grant Agreement with the respective beneficiary MSME on terms and conditions approved by the Association, which shall include the following:
- (a) Matching Grants, Competitive Grants, Performance Grants and Insurance Premium Subsidies shall be allocated through a defined process managed by the relevant Project Implementation Partner with proven experience, using objective and transparent criteria, and qualified evaluators as set forth in the Competitive Grants Manual, the Performance Grants Manual and the Insurance Premium Subsidies Manual, respectively;
  - (b) Matching Grants, Competitive Grants, Performance Grants and Insurance Premium Subsidies shall be provided on grant terms and on a non-reimbursable basis and in an amount as set forth in the Matching Grants Manual, the Competitive Grants Manual, the Performance Grants Manual and the Insurance Premium Subsidies Manual, respectively, and shall not be used to finance any activities included in the list of Excluded Activities;
  - (c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
    - (i) suspend or terminate the right of the eligible MSME to use the proceeds of the Matching Grants, Competitive Grants, Performance Grants or Insurance Premium Subsidies or obtain a refund of all or any part of the amount of said grants then withdrawn, upon the MSME's failure to perform any of its obligations under the Grant Agreement; and
    - (ii) require each MSME to: (A) carry out the activities supported through the Matching Grants, Competitive Grants, Performance Grants or Insurance Premium Subsidies with due diligence and



efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient; (B) provide, promptly as needed, the counterpart resources required for the purpose; (C) procure the goods, works and services to be financed out of the Matching Grants, Competitive Grants, Performance Grants or Insurance Premium Subsidies Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the financed activities and the achievement of their objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the financed activities; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the financed activities, their operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. To facilitate the provision of Matching Grants, Competitive Grants, Performance Grants and Insurance Premium Subsidies to the MSMEs, the Project Implementing Entity shall: (a) enter into partnership agreements with the selected Project Implementation Partner ("Partnership Agreement") under terms and conditions acceptable to the Association and set forth in the Matching Grants Manual, the Competitive Grants Manual, the Performance Grants Manual and the Insurance Premium Subsidies Manual, including provisions on compliance with the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient; and (b) exercise its rights and carry out its obligations under each Partnership Agreement in such manner as to protect its interests and the interests of the Association in order to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any Partnership Agreement or any of their provisions.

**F. Environmental and Social Standards**

1. The Project Implementing Entity 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 Project Implementing Entity 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, and shall cause the Project Implementing Entity to, 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 the Financing Agreement, the provisions of the Financing Agreement shall prevail.
4. The Project Implementing Entity 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, in accordance with the ESCP, the environmental

and social instruments referenced therein and the Environmental and Social Standards.

5. The Project Implementing Entity 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 Project Implementing Entity 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 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. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are safeguard measures and actions which will not be completed by the Closing Date, the Project Implementing Entity shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions; and (b) thereafter, carry out, or cause to be carried out (as the case may be), said action plan in accordance with its terms and in a manner acceptable to the Association.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports [for its Respective Part of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.