
GRANT NUMBER E2650 -BI

Financing Agreement

(Burundi Jobs and Economic Transformation Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER E2650 -BI

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). 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 seventy-six million and one hundred thousand Special Drawing Rights (SDR 76,100,000) (variously, “Grant” and “Financing”), to assist in financing the 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 April 1 and October 1 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by ADB, all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, the Project Agreement and the amended Subsidiary Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following, namely that the amendment to the Subsidiary Agreement has been completed on behalf of the Recipient and the Project Implementing Entity in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05(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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is its minister in charge of finance, budget and economic planning.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient’s address is:

Minister of Finance, Budget and Economic Planning
Bujumbura, Republic of Burundi; and

- (b) the Recipient’s Electronic Address is:

Telex:	E-mail:
MINIFINBDI	finances@finances.gov.bi

- 5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association’s address is:

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

(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF BURUNDI

By



Authorized Representative

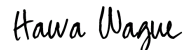
Name: H.E. Audace NIYONZIMA

Title: Minister of Finance, Budget and Economic Planning

Date: 14-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Hawa Wague

Title: Country Manager

Date: 13-Dec-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve MSMEs' access to finance, especially for MSMEs owned by women and refugees, and increase job creation by MSMEs.

The Project consists of the following parts:

Part 1: MSME Access to Markets and Value Chain Development

1.1 Expand MSME Access to Sustainable Productive Infrastructure

Address gaps in targeted value chains through improved access to productive and climate-resilient infrastructure for MSMEs, particularly those owned by women and refugees, to increase value addition and promote economies of scale and resilience, through:

- (i) Providing Matching Grants to Private Providers of productive infrastructure and digital platforms that serve MSMEs in the targeted value chains; and
- (ii) Supporting Private Providers to enhance climate resilience and infrastructure investments, including, *inter alia*, equipment and technology purchases and installation; minor rehabilitation works; consulting services; operating costs, including salaries; and technical assistance in developing climate resilient activities.

1.2 Upgrade MSME Capabilities

Stimulate the economic transformation of MSMEs through technical assistance and grants to incentivize technology adoption and crossover into higher value-added activities through:

- (i) Technical assistance and Training to registered and eligible MSMEs, including *inter alia* on environmental and social standards, climate change, business exposure to climate change, gender-based violence, sexual exploitation and abuse and sexual harassment.
- (ii) The provision of Competitive Grants, technology kits, and Operational Costs for eligible MSMEs selected based on a transparent, merit-based competition.
- (iii) The provision of implementation support to eligible MSMEs.

1.3 Supplier Development and Market Linkages Programs

Support MSMEs to access markets through certification and supplier development programs to stimulate business-to-business links, sub-contract and contribute towards the creation of local content that will include:

- (i) Capacity diagnostics;
- (ii) Performance Grants to finance equipment, technology, Operating Costs salaries, consulting services and associated costs; and
- (iii) Technical assistance and coaching for eligible MSMEs that have the potential but lack the capacity to become qualified suppliers to larger firms or public sector buyers be identified through a joint assessment conducted with lead buyers and investors to analyze managerial, technical, production and supply chain relationship gaps.

Part 2: Financial Inclusion and Sustainable Access to Finance for MSMEs

2.1 Strengthen Credit Infrastructure

Support the implementation of a modern credit reporting system, as well as the development of a movables collateral registry, including:

- (i) the modernization of the public credit registry (*Centrale des Risques*) at the BRB, including technical assistance, and the necessary software and hardware;
- (ii) the creation of a private credit bureau at the BRB; and
- (iii) the development of a centralized electronic collateral registry for movable securities enabling MSMEs to utilize their movable assets as collateral to obtain financing through technical assistance, regulatory support and the acquisition of equipment to assist the BRB, the credit institutions, the micro finance institutions and other stakeholders to design and operationalize said centralized electronic collateral registry.

2.2 Enhance MSME Access to Credit

Develop mechanisms and instruments to enhance MSMEs' access to credit, including:

- (i) the development of a partial portfolio credit guarantee scheme through the establishment of the PPCG Fund, including: (a) support to MoF to reform FIGA in consultation with stakeholders into a mixed company; (b) preparation of the PPCG Fund Manual with the necessary draft model

legal agreements between FIGA and participating financial institutions (PFIs); and of the ESMS to be complied with by said PFIs under said legal agreements; (c) endowment and operationalization of the PPCG Fund (PBC#1); (d) through the PPCG Fund, the provision of Portfolio Partial Credit Guarantees (“PPCGs”) to PFIs to provide financing to eligible MSMEs for the implementation of selected investments (PBC#2); (e) technical assistance and Training for FIGA and PFIs, including inter alia new product development targeting women, environmental and social management systems, financial risk management, credit analysis tools, and internal efficiency systems.

- (ii) the development of index-based insurance to support the development of insurance solutions to enhance access to credit for agricultural producers through technical and financial assistance to (a) carry out feasibility studies to identify the relevant value chains; (b) develop appropriate market-based insurance products; (c) provide Insurance Premium Subsidies to agricultural producers in the implementation of a pilot program; and (c) capacity-building including support for improving of meteorological data and services by IGEBU; and
- (iii) capacity building for non-bank financial institutions (NBFIs) to better serve MSMEs and to expand their services and improve financing for women and other underserved entrepreneurs, through: (a) technical capacity for NBFIs to finance productive investments of women-owned MSMEs; and (b) the design and implementation of pilot innovative financial products for women entrepreneurs to address existing gender gaps in financial access.

2.3 Adoption of Digital Financial Services

Support digital financial services and access to finance for MSMEs, including through:

- (i) the acquisition of core-banking systems and application programming interface for the connection of NBFIs to Bi-Switch through the financing of shared digital platforms;
- (ii) the development and extension of banking and NBFIs agency banking networks to underserved communities through technical assistance and the acquisition of point-of-sales equipment in favor of banks, NBFIs, viable microfinance institutions, savings and loans cooperatives to expand their operations (payments, savings, and loan products) via digital financial services and agency banking networks to improve both financial inclusion and access to finance to MSMEs in regions with no formal financial intermediation; and

- (iii) the capacity-building of BRB to better supervise digital financial services, and insure consumer protection, including the acquisition of related software and hardware to put in place a unique financial identifier and address consumer complaints in a timely manner, and establish banking rules and conditions for customers, as well as the capacity of the National Financial Intelligence Unit to limit and mitigate financial integrity risks related to the rapid expansion of financial services, including the acquisition of related software and hardware.

Part 3: Sustainable Business Enabling Environment and Investment Climate Support

3.1 Business Enabling Environment Reforms

Support the implementation of cross-cutting and sector-specific reforms to enhance the competitiveness of value chains through technical assistance, equipment (office equipment and information technology equipment), technology acquisition, and Training, such as:

- (i) cross-cutting business environment reforms to support private sector development and create opportunities for participation of local MSMEs, including: (a) rationalization and digitalization of business permits and licenses, (b) strengthening the one-stop shop for construction permits and property transfers; and (c) overhauling the institutional and legal framework for commercial justice; and (d) developing a digital case management system for commercial courts;
- (ii) modernization of the legal and institutional framework that defines quality controls and standards in collaboration with BBN, including certifications and standards necessary to help sectors and industries adapt to climate change; and
- (iii) value chains reforms based on Part 1 of the Project and other priorities as defined by the Recipient.

3.2 Institutional Strengthening to Support MSME Development and Investors

Strengthen public and private institutions that provide services to MSMEs and private investors, and support evidence-based policymaking by reducing the data gap, including related to gender to support the following activities:

- (i) implementation of the strategy of ADB for export, investment promotion, MSME development and public-private dialogue;
- (ii) capacity-building for public and private entities contributing to competitiveness of targeted value chains; and

- (iii) improvement of the quality of national accounts and private sector data by building capacity of INSBU, in collaboration with local universities, for producing enterprise and labor force statistics to inform evidence-based policy making.

Part 4: Project Management

Support Project management, coordination, communication, monitoring and evaluation to be carried out by ADB-PIU through:

- (i) capacity-building and technical assistance for monitoring and evaluation as well as communication activities;
- (ii) goods, consultant services, non-consultant services, operating costs, staff, workshops, and training;
- (iii) baseline studies and preparation activities for expanding or scaling up Project activities; and
- (iv) carrying out citizen engagement, grievance redress, Project communication, and stakeholder coordination activities.

Part 5: Contingent Emergency Response Component

Provide immediate response to an Eligible Crisis or Emergency, as needed.

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 MoF, and comprise representatives of the Project Implementing Entity and Line and key stakeholders from the public sector, civil society, financial sector, and private sector as further detailed in the Project Implementation Manual.
- (c) The Project Steering Committee shall meet at least once every semester and shall be responsible for Project oversight, including *inter alia*: (i) reviewing the proposed Annual Work Plans and Budgets for the Project, reviewing the draft annual implementation and audit reports, as well as the procurement plan prepared by the ADB-PIU; (ii) overseeing overall implementation and performance of the Project and providing strategic guidance; and (iii) identifying necessary Project adjustments based on monitoring and evaluation results.

2. ADB-PIU

- (a) The Recipient shall cause the Project Implementing Entity to 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.

3. Technical Committee

No later than two (2) months from the Effective Date, the Recipient shall cause the Project Implementing Entity to establish and maintain, at all times during Project implementation, a technical committee ("Technical Committee") with composition, terms of reference and resources satisfactory to the Association as further detailed in the Project Implementation Manual. 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 Line Ministries.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under an amended subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect its interests, the interests of the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Implementation Manual and PPCG Manual

1. The Recipient shall prepare in collaboration with the Project Implementing Entity, 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 Recipient and the Project Implementing Entity shall afford the Association a reasonable opportunity to review and approve such manual and shall thereafter adopt such manual and cause the Project Implementing Entity to adopt such manual, as it applies to the Project overall implementation as shall have been approved by the Association (“Project Implementation Manual”).
3. The Recipient shall carry out the Project and shall cause the Project Implementing Entity to 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, the Recipient, in collaboration with the Project Implementing Entity, 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 this Agreement, the terms of this Agreement shall prevail.

D. Annual Work Plans and Budgets

1. Without limitation to the obligations set forth in Section I.C above, the Recipient shall carry out the Project and shall cause the Project to be carried out by the Project Implementing Entity 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 Recipient shall afford and shall cause the Project Implementing Entity, through the ADB-PIU, to afford the Association a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budget; and thereafter ensure and cause the Project Implementing Entity to 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 this Agreement, the terms of this 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 Recipient shall cause the Project Implementing Entity to 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 Recipient shall cause the Project Implementing Entity to 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 Recipient shall cause the Project Implementing Entity to: (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. Establishment and Endowment of the PPCG Fund under Part 2.2(i)(c) of the Project

Establishment and Management of the PPCG Fund

1. Prior to the endowment of PPCG Fund under Part 2.2(i)(c) of the Project, the Recipient, through MoF, shall enter into an agreement with FIGA for the establishment and management of the PPCG Fund under terms and conditions satisfactory to the Association and as set forth in the PPCG Manual ("Management Agreement").

2. Without limitation to the provisions of paragraph 1 above, the Management Agreement shall contain, *inter alia*, provisions to ensure that: (i) FIGA shall have the right to manage the funds allocated for the PPCG Fund account exclusively for the purpose of guaranteeing loans made by PFIs in accordance with the terms of the PPCG Manual under Part 2.2(i) of the Project and shall refund to the Recipient for further refund to the Association any amount of the Financing used for any other purpose or in violation of the provisions of, or referred to, in this Agreement; (ii) the right of FIGA to withdraw funds from the PPCG Fund account(s) shall terminate, upon FIGA's failure to perform any of its obligations under the Management Agreement; (iii) the obligation of FIGA to carry out its obligations under the Management Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, administrative, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the PPCG Manual, the ESCP (including the obligation to prepare, adopt, disclose and maintain an ESMS acceptable to the Association) and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (iv) (A) the obligation of FIGA to 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 its activities under the Management Agreement; and (B) at the Association's or the Recipient's request, the obligation of FIGA to 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; and (v) the obligation of FIGA to: (A) enable the Recipient and the Association to inspect its operations and any relevant records and documents; and (B) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request regarding the foregoing.
3. The Recipient shall exercise its rights and carry out its obligations under the Management Agreement in such manner as to protect its interests and those of the Association in order to accomplish the purposes of the Project. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, terminate, abrogate, waive or fail to enforce the Management Agreement or any of its provisions.
4. In the event of any inconsistency between the provisions of the Management Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

PPCGs under Part 2.2(i)(d) of the Project

5. Upon selection of a PFI in accordance with the criteria and procedures established in the PPCG Manual, the Recipient shall cause FIGA to enter into a PPCG Agreement with each PFI under terms and conditions acceptable to the Association, which shall include, *inter alia*:
 - (a) PPCGs shall be provided exclusively to mitigate the credit risk on loans/credits to eligible MSMEs, and that such loans will at all times be underwritten, priced, signed, documented, monitored and serviced in accordance with the relevant PFI's credit guidelines and using its standard documentation;
 - (b) no PPCG shall be issued except in accordance with criteria, terms and conditions set forth in the Management Agreement including, *inter alia*, in strict compliance with the PPCG Manual;
 - (c) the obligation of the relevant PFI to comply with the pertinent provisions of the PPCG Manual and the applicable environmental and social requirements included in the ESCP (including the obligation to prepare, adopt and maintain an ESMS acceptable to the Association).
6. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce, or permit to be assigned, amended, abrogated, terminated, waived or failed to be enforced, any PPCG Agreement, or any provisions included or referred to therein.

G. Verification of Achievement of PBCs

For purposes of implementing PBC#1 and PBC#2 under Part 2.2(i) of the Project, the Recipient shall carry out a verification process through the Recipient's entities or independent verification agency that the Association has confirmed in writing to be acceptable, as determined in the Verification Protocol ("Verification Agent"), for the verification of achievement of PBCs which are set forth in the table in Schedule 3 to this Agreement, and furnish to the Association, not later than sixty (60) days after the verification of compliance of said PBCs, reports on the results of said verification of compliance process of such scope and in such detail as the Association shall reasonably request.

H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Emergency Response Part”), the Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, a Contingency Emergency Response Manual (“CER Manual”) which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social management arrangements and instruments for the Emergency Response Part adopted in accordance with the Environmental and Social Standards of Section I of this Schedule 2; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;
 - (b) afford the Association a reasonable opportunity to review the proposed CER Manual;
 - (c) promptly adopt the CER Manual for the Emergency Response Part as shall have been approved by the Association and integrate it as an annex to the Project Implementation Manual;
 - (d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without the prior written approval by the Association.
2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has ensured the preparation and disclosure of all environmental and social instruments as may be required for said activities in accordance with the CER Manual, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

I. Environmental and Social Standards

1. The Recipient shall, and shall cause the Project Implementing Entity to, 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, and shall cause the Project Implementing Entity to, 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 this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure, and shall cause the Project Implementing Entity to 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 Recipient shall, and shall cause the Project Implementing Entity to 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, and shall cause the Project Implementing Entity to 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 Recipient shall, and shall cause the Project Implementing Entity to: (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

The Recipient shall cause the Project Implementing Entity through the ADB-PIU to furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar 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 and shall cause the Project Implementing Entity to 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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; 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 the Project (except under categories (2) to (8) below)	30,059,500	100%
(2) Matching Grants under Part 1.1 (i) of the Project	15,220,000	100% of amounts disbursed
(3) Competitive Grants under Part 1.2(ii) of the Project	6,849,000	100% of amounts disbursed
(4) Performance Grants under Part 1.3(ii) of the Project	5,707,500	100% of amounts disbursed
(5) Insurance Premium Subsidies under Part 2.2(ii)(c) of the Project	1,522,000	100% of amounts disbursed
(6) PPCG Fund Endowment under Part 2.2(i) of the Project	12,937,000	100% allocated to each PBC as set forth in Schedule 3
(7) Emergency Expenditures under Part 5 of the Project (CER Part)	0	100%
(8) Refund of Preparation Advance	3,805,000	Amount payable pursuant to Section 2.07(a) of the General Conditions
TOTAL AMOUNT	76,100,000	

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 Recipient, through the Project Implementing Entity has: (i) signed a Partnership Agreement with the Project Implementation Partner in charge of managing Matching

Grants; (ii) prepared and adopted the Matching Grants Manual; (iii) signed at least two Grant Agreements for Matching Grants with eligible Private Providers; all in form and substance acceptable to the Association;

- (c) for payments under Category (3), until and unless the Recipient through the Project Implementing Entity has: (i) signed the Partnership Agreement with the Project Implementation Partner in charge of managing Competitive Grants; (ii) prepared and adopted the Competitive Grants Manual; (iii) signed at least two Grant Agreements for Competitive Grants with eligible MSMEs; all in a manner acceptable to the Association;
- (d) for payments under Category (4) until and unless the Recipient through the Project Implementing Entity has: (i) signed the Partnership Agreement with the Project Implementation Partner in charge of managing Performance Grants; (ii) prepared and adopted the Performance Grants Manual; (iii) signed at least two Grant Agreements for Performance Grants with eligible MSMEs; all in form and substance acceptable to the Association;
- (e) for payments under Category (5) until and unless the Recipient through the Project Implementing Entity has: (i) signed the Partnership Agreement with the Project Implementation Partner in charge of managing Insurance Premium Subsidies; (ii) prepared and adopted the Insurance Premium Subsidies Manual; (iii) signed at least two Grant Agreements for Insurance Premium Subsidies with eligible farmers, pastoralists, and MSMEs; all in form and substance acceptable to the Association;
- (f) for payments under Category (6) with respect to each PBC, as set forth in Schedule 3, for which a withdrawal request has been submitted, until and unless the Recipient through the Project Implementing Entity has also submitted evidence satisfactory to the Association that the following conditions have been met:
 - (i) FIGA's status has been changed into a mixed company and FIGA has been licensed by the Central Bank as a financial institution to issue guarantees;
 - (ii) FIGA has established, adopted and disclosed an ESMS under terms and conditions acceptable to the Association;
 - (iii) evidence, in form and substance satisfactory to the Association, of the Eligible Expenditures paid, as presented [in the IFR] and verified pursuant to the Verification Protocol; and

- (iv) furnished supporting documentation confirming the Recipient's achievement of the respective PBC or PBCs, as further elaborated in Schedule 3 and as set forth in the Verification Protocol, including, but not limited to, a report issued by the Verification Agent, confirming the achievement of the respective PBC or PBCs; all in form and substance satisfactory to the Association.
 - (g) for Emergency Expenditures under Category (7), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (7); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CER Manual (including an emergency action plan) in form and substance acceptable to the Association.
- 2. Notwithstanding the provisions of Part B.1(f) of this Section:
 - (a) The Recipient may request withdrawals of the Financing when the relevant Eligible Expenditures have been incurred, but prior to the PBCs having been met, provided that the Recipient shall: (i) achieve such PBCs no later than the Closing Date; and (ii) submit to the Association evidence satisfactory to the Association of such PBCs having been met no later than the Disbursement Deadline Date; provided however, that if by the Disbursement Deadline Date, the Recipient has failed to provide the Association evidence satisfactory to the Association that one or more PBCs have been fully achieved, the Recipient shall, upon notice from the Association, promptly refund to the Association the Withdrawn Financing Balance related those expenditures under the Eligible PBC Expenditures under Category (6). Except as the Association may otherwise determine, the Association shall cancel all amounts refunded pursuant to this Section.
 - (b) If any of the PBCs referred to in Schedule 3 to this Agreement has not been achieved, the Association may, by notice to the Recipient: (a) reallocate all or a portion of the proceeds of the Financing then allocated to said PBC to any other PBC or any other Category; and/or (b) cancel all or a portion of the proceeds of the Financing then allocated to said PBC.
- 3. The Closing Date is December 29, 2028.

SCHEDULE 3

PERFORMANCE BASED CONDITIONS

PBC	Amount of the Grant Allocated in SDR
PBC#1: (a) the PPCG Fund is set up with an approved PPCG Fund Manual; (b) the Management Agreement has been signed between MoF and FIGA; and (c) FIGA has signed at least one PPCG Agreement with one PFI; all under terms and conditions as further detailed in the PIM.	3,805,000
PBC#2: The amount of outstanding loan/credit provided by PFIs to eligible MSMEs guaranteed by PPCGs is at least equal to 60% of the maximum amount of credit that can be guaranteed by the amount available in the PPCG Fund as further detailed in the PIM, as follows: (a) USD 12,000,000 of loans/credits guaranteed (b) USD 21,600,000 of loans/credits guaranteed (c) USD 31,200,000 of loans/credits guaranteed	 (a) 3,044,000 (b) 3,044,000 (c) 3,044,000

APPENDIX

Definitions

1. “ADB” means *Agence de Développement du Burundi*, the Recipient’s Development Agency, as established and operating under the Recipient’s Decree No. 100/255 dated November 15, 2021, or any successor thereto acceptable to the Association.
2. “ADB-PIU” means the Project’s coordination unit within the administrative authority of the Project Implementing Entity, established and referred to in Section I.A. of Schedule 2 to this Agreement, or any successor thereof acceptable to the Association.
3. “Agricultural Insurance Premia” means the premia to be paid by Burundian farmers when they enter into crop insurance agreements.
4. “Annual Work Plan and Budget” or “Annual Work Plans and Budgets” means any or all the annual work plans and budgets approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, as said annual work plans and budgets may be modified from time to time with the written agreement of the Association.
5. “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.
6. “BBN” means *Bureau Burundais de Normalisation et Contrôle de la Qualité*, the Recipient’s Bureau of Standards and Quality Control, as established and operating under the Recipient’s Law n°1/13 dated June 20, 2011, amending Decree-law n°1/17 dated May 7, 1992, creating a Burundian Bureau of Standardization and Quality Control, or any successor thereto acceptable to the Association.
7. “Bi-Switch” means a company created by the banking community in the Recipient’s territory to promote electronic payment systems, as established and operating under the Recipient’s laws and regulations.
8. “BRB” means *Banque de la République du Burundi*, the Recipient’s central bank, as established and operating under the Recipient’s Law No. 1/34 dated December 02, 2008, or any successor thereto acceptable to the Association.
9. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
10. “*Centrale des Risques*” means the public credit registry at the BRB.

11. “CER Manual” means the manual referred to in Section I.H.1(a) of Schedule 2 to this Agreement, as may be revised from time to time with the Association’s prior and written approval.
12. “Competitive Grant” or “Competitive Grants” means the grants to be provided under Part 1.2(ii) of the Project to eligible MSMEs as further detailed in the Competitive Grants Manual.
13. “Competitive Grants Manual” means the manual to be prepared and adopted by the Recipient for the implementation of Competitive Grants under Part 1.2(ii) of the Project.
14. “Disbursement Deadline Date” means the final date, established by the Bank, for the receipt by the Bank of applications for withdrawal and supporting documentation; according to the Disbursement Guidelines, this date may be the same as the Closing Date, or up to four months after the Closing Date.
15. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
16. “Emergency Expenditures” means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I.H.1(a)(ii) of Schedule 2 to this Agreement and required for the Emergency Response Part.
17. “Emergency Response Part” means Part 5 of the Project, as further described in Section I.H of Schedule 2 to this Agreement.
18. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 26, 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.
19. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

20. “ESMS” means Environmental and Social Management System of FIGA and of each of the PFIs to identify, assess and manage the environmental and social risks and impacts under the relevant activities under Component 2.2(i) of the Project, in compliance with the ESS and the PPCG Fund Manual.
21. “Excluded Activities” means the list of activities not eligible for financing under the Project, as said list is set forth in the PIM.
22. “FIGA” means *Fonds d'Impulsion, de Garantie et d'Accompagnement*, the Recipient’s fund for guarantees and development promotion, as established and operating under the Recipient’s Decree No.100/038 dated February 18, 2021, amending Decree No.100/116 dated April 21, 2015.
23. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (last revised on July 15, 2023).
24. “Grant Agreement” means an agreement governing the provision of a Competitive Grant, Matching Grant, Performance Grant and/or Insurance Premium Subsidy, as referred to in Section I.E.2 of Schedule 2 to this Agreement.
25. “IFR” means each interim unaudited financial report for the Project referred to in the Disbursement and Financial Information Letter.
26. “IGEBU” means *Institut Géographique du Burundi*, the Recipient’s National Hydromet Service, as established and operating under the Recipient’s Decree No. 100/241 dated October 29, 2014, or any successor thereto acceptable to the Association.
27. “INSBU” means *Institut National de la Statistique du Burundi*, the Recipient’s National Institute of Statistics and Economic Studies, as established and operating under the Recipient’s Decree No. 100/153 on the creation, organization and functioning of the National Statistic Authority dated November 16, 2022, or any successor thereto acceptable to the Association.

28. “Insurance Premium Subsidy” or “Insurance Premium Subsidies” means one or several subsidies to be provided under Part 2.2(ii) of the Project to eligible MSMEs as further detailed in the Insurance Premium Subsidies Manual.
29. “Insurance Premium Subsidies Manual” means the manual to be prepared and adopted by the Recipient for the implementation of Performance Grants under Part 2.2(ii) of the Project.
30. “Line Ministries” means all the Recipient’s Ministries involved in the implementation of the Project, including Ministry of Finance, Budget and Economic Planning, Ministry of the Interior, Community Development and Public Safety, Ministry for the Civil Service, Labor and Employment, Ministry of the Environment, Agriculture and Livestock, Ministry of Hydraulics, Energy and Mines, Ministry of National Solidarity, Social Affairs, Human Rights and Gender, Ministry of Commerce, Transport, Industry and Tourism, Ministry of Communication, Information Technologies and Media, Ministry of Foreign Affairs and Development Cooperation, Ministry of Justice , or any successor thereof acceptable to the Association.
31. “M&E” means monitoring and evaluation.
32. “Management Agreement” means the agreement to be signed between the Recipient through MoF and FIGA for the establishment and management of the PPCG Fund under Part 2.2(i) as further detailed in the under PPCG Manual.
33. “Matching Grant” or “Matching Grants” means any or all grants to be provided under Part 1.1(ii) of the Project to eligible Private Providers as further detailed in the Matching Grants Manual.
34. “Matching Grants Manual” means the manual to be prepared and adopted by the Recipient for the implementation of Matching Grants under Part 1.1(ii) of the Project.
35. “MoF” means *Ministère des Finances, du Budget et de la Planification Economique*, the Recipient’s Minister of Finance, Budget and Economic Planning, or any successor thereto acceptable to the Association.
36. “MSME” or “MSMEs” means any or all micro, small or medium enterprises, including cooperatives, smallholder farmers and other non-governmental organizations involved in the Project, as further detailed in the Project Implementation Manual.

37. “National Financial Intelligence Unit” means *Cellule Nationale de Renseignement Financier– CNRF* established and operating under the Recipient’s Decree/Law No. 100/044 dated March 16, 2020, on the creation, mission, organization and function of the CNRF.
38. “NBFI” or “NBFIs” means any or all non-banking financial institutions, legally established in the Recipient’s territory.
39. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient, its Line Ministries, other relevant institutions of the Recipient, the ADB-PIU in connection with Project implementation and as defined in the Project Implementation Manual, including consumable materials and supplies, utilities, fuel and oil, communication and insurance costs, administrative fees, surveys and census costs, 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, *per diem* and supervision costs, as well as salaries of contracted employees, but excluding salaries of officials of the Recipient’s civil service and Training.
40. “Partnership Agreement” or “Partnership Agreements” means one or all partnership agreements to be signed between the Project Implementing Entity and Project Implementation Partners to facilitate the provision of Matching Grants, Competitive Grants, Performance Grants and Insurance Premium Subsidies to eligible MSMEs, as further detailed in the Matching Grants Manual, the Competitive Grants Manual, Performance Grants Manual and Insurance Premium Subsidies Manual, respectively.
41. “PBC” or “PBCs” means any of all performance-based conditions under the Project, referred to in Schedule 3 to this Agreement.
42. “PFI” or “PFIs” means one or all participating e financial institutions under Part 2.2(i) of the Project.
43. “Performance Grant” or “Performance Grants” means the grants to be provided under Part 1.3(ii) of the Project to eligible MSMEs as further detailed in the Performance Grants Manual.
44. “Performance Grants Manual” means the manual to be prepared and adopted by the Recipient for the implementation of Performance Grants under Part 1.3(ii) of the Project.
45. “PPCG Agreement” means the agreement between the FICA and each PFI referred to in Section F.5 of Schedule 2 to this Agreement.”

46. “PPCG Fund” means the partial portfolio credit guarantee fund to be established under Part 2.2(i) of the Project, as further detailed in the PPCG Fund Manual.
47. “PPCG Fund Endowment” means the initial endowment of the PPCG Fund as Eligible Expenditures paid and incurred in connection with the achievement of the PBCs.
48. “PPCG Manual” means the manual referred to in Section I.C of Schedule 2 to this Agreement.
49. “Preparation Advance” means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on July 26, 2022, and on behalf of the Recipient on July 31, 2022.
50. “Private Provider” or “Private Providers” means any or all private providers which will benefit from Matching Grants as further detailed in the Matching Grants Manual.
51. “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.
52. “Project Implementing Entity” means *Agence de Développement du Burundi* (ADB) as established and operating under the Recipient’s Decree No. 100/255 dated November 15, 2021, or any successor thereto acceptable to the Association,
53. “Project Implementation 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.
54. “Project Implementation Partner” or “Project Implementation Partners” means one or all Partners in charge of managing Matching Grants under Part 1.1(i), Competitive Grants under Part 1.2(ii), Performance Grants under Part 1.3(iii) and the Recipient’s agency in charge of regulation and control of insurances for the Insurance Premium Subsidies under Part 2.2(ii) of the Project, as further detailed in the Matching Grants Manual, the Competitive Grants Manual, the Performance Grants Manual and the Insurance Premium Subsidies Manual.
55. “Project Steering Committee” means the Recipient’s committee referred to in Section I.A. of Schedule 2 to this Agreement established through ministerial decree No. 540/831 issued by MoF on July 19, 2023, or any successor thereof acceptable to the Association.

56. “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.
57. “Subsidiary Agreement” means the agreement dated July 31, 2022, signed between the Recipient, through MoF and the Project Implementing Entity for the implementation of the Project, as amended from time to time in a manner acceptable to the Association.
58. “Training” means expenditures incurred by the Recipient in connection with carrying out training activities under the Project (excluding consulting services), including travel costs and *per diem* for local trainees, study tours, workshops, conferences, scholarships and stipends, rental of facilities and equipment and training materials and related supplies.
59. “Verification Agent” means the entity or entities listed in the Verification Protocol and referred to in Section I.G of Schedule 2 to this Agreement.
60. “Verification Protocol” means the PBC verification process referred to in Section I.G of Schedule 2 to this Agreement and set forth in the Project Implementation Manual.