

- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

The specific conditions as well as the tranches to which they apply are as follows:

In addition to the general conditions, specific conditions apply for the disbursement of the fixed tranche in year 1 (2023). They relate to the approval of strategies to be supported by the programme, and to conditions to start measuring indicators. The specific conditions are detailed in Appendix for Budget Support – Disbursement Arrangements, Conditions and Performance Indicators. The related tranche release request must be supported by all appropriate information and documents on the specific conditions.

b) The performance indicators for disbursement to be used for variable tranches are extracted from or aligned to the Ministry of Environment and Water's Integral Development Sector Plan and may focus on the following policy priorities:

- for IWRM: planning and governance instruments, increased field-level investments, enhanced water quality, and water-related disaster risk reduction;
- for forest management: normative development, improved data availability, facilitation of market access for timber forest products;
- for protected areas and biodiversity management: strict conservation of national protected areas, increased financial sustainability, governance and monitoring of national protected areas, conservation and management of wetland (with special attention to RAMSAR sites);
- gender mainstreaming in the Ministry of Environment and Water's planning and budgeting exercises.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3 Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into *bolivianos* will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.