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**GAFSP GRANT NUMBER TF099108**

# **Global Agricultural and Food Security Program**

## **Grant Agreement**

**(Land Husbandry, Water Harvesting and Hillside Irrigation Project)**

**between**

**REPUBLIC OF RWANDA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**(acting as Supervising Entity of Global Agriculture and Food Security Program)**

**Dated April 18, 2011**

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**GAFSP GRANT NUMBER TF099108**

**Global Agriculture and Food Security Program  
Grant Agreement**

AGREEMENT dated April 18, 2011, entered into between Republic of Rwanda (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as supervising entity of the Global Agriculture and Food Security Program (“GAFSP”). The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Original Financing Agreement or in this Agreement. If the same term is defined both in this Agreement and the Original Financing Agreement, the definition of the term in this Agreement shall prevail.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objective of the Project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fifty million United States Dollars (USD50,000,000.00) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section II of Schedule 2 to this Agreement.

- 3.03. The Grant is funded out of the above-mentioned GAFSP for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

#### **Article IV Effectiveness**

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition has been satisfied: the Recipient has recruited to Program 1 Implementation Team, a land husbandry specialist, a horticulturalist, a technical assistant to the marketing officer, and an operational assistant to the program manager.
- 4.02. In addition to the evidence to be furnished pursuant to Section 4.01, this Agreement shall not become effective until there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Sections 4.01 and 4.02 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**  
**Recipient's Representative; Addresses**

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible at the time for Finance and Economic Planning.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Planning  
P. O. Box 158  
Kigali  
Rwanda

Facsimile:  
250-252-57-75-81

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (MCI) or  
64145 (MCI)

Facsimile:

1-202-477-6391

AGREED at District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF RWANDA

By

/s/ John Rwangombwa  
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT  
(acting as supervising entity of Global Agriculture and Food  
Security Program)

By

/s/ Johannes Zutt  
Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to increase the productivity and commercialization of hillside agriculture in Target Areas in the Recipient's country.

The Project constitutes part of the first phase of the Program and consists of the following parts:

1. Capacity Development and Institutional Strengthening
  - (a) Strengthening of farmer organizations and cooperatives, including organizational diagnoses, capacity building, and institutional development with respect to governance, management, and market orientation.
  - (b)
    - (i) Establishment of an implementation framework for an extension delivery system, including participatory extension, farmer-extension agent interactions, evaluation and validation of results of new technologies and practices; participatory crop selection and market-based approaches to input use;
    - (ii) carrying out of farmer support activities, including extension activities with respect to land husbandry technologies, pest disease monitoring, identification, and reporting and horticultural production in irrigated command areas, for purposes of meeting external certification standards, and provision of other certification-related support; and
    - (iii) provision of institutional, organizational, and human resource support for such farmer support activities, including the use of performance contracts and preparation of training materials.
  - (c)
    - (i) Strengthening of marketing infrastructure and capacity building, including (A) establishment of linkages between entrepreneurs and smallholder organizations; (B) provision of technical assistance with respect to auditing and external certification of horticultural farmers, and (C) development of post-harvest infrastructure, such as packing houses and cold storage rooms; and
    - (ii) strengthening of rural access to finance, including (A) product development in savings, leasing, other value chain financing, and index-based weather insurance, including rehabilitation of

ground weather stations, and related capacity building of financial service providers and producers, (B) capacity building of and establishment of linkages between rural communities, community and producer organizations, and rural financial service providers, and (C) promotion of long-term sustainable financial services to rural communities, including product development and capacity building, through the Access to Finance Rwanda Initiative following its establishment.

- (d) Institutional strengthening and capacity building of the Ministry of Agriculture and Animal Resources and related agencies in hillside intensification and sustainable land management, including establishment of a geographic information system-based information framework and provision of support to the regulatory environment for sanitary and phytosanitary implementation.

## 2. Infrastructure

Development of the following infrastructure for hillside intensification:

- (a) participatory and comprehensive land husbandry technologies and infrastructure in a sub-watershed setting, including for purposes of soil conservation and downstream reservoir protection;
- (b) water harvesting infrastructure, including valley dams and reservoirs; and
- (c) water conveyance structures, including primary and secondary water distribution networks and field-level basin or furrow irrigation applications, and command area development of irrigated hillsides.

## 3. Support to Sector-Wide Approach Implementation

Support to the implementation of a Sector-Wide Approach in agriculture, including establishment of monitoring and evaluation and management information systems and inter-ministerial coordination, and provision of support to Project and Program implementation.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

###### Ministry of Agriculture and Animal Resources

1. The Ministry of Agriculture and Animal Resources shall be responsible for Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, in accordance with the following institutional arrangements.

###### *Inter-Ministerial Steering Committee*

2. The Recipient shall maintain and assign for the implementation of the Project, the Inter-Ministerial Steering Committee, established pursuant to Section I.A.2 of Schedule 2 of the Original Financing Agreement.
3. The Inter-Ministerial Steering Committee shall be responsible for policy and strategic orientation of the Project.

###### *Program 1 Implementation Team*

4. The Recipient shall maintain for the implementation of the Project, the staff of Program 1 Implementation Team appointed pursuant to Section I.A.4 and Section I.A.5 of Schedule 2 of the Original Financing Agreement.
5. The Recipient shall, not later than two months after Effective Date, recruit and assign to Program 1 Implementation Team, additional financial management and procurement staff for the implementation of the Project, with qualifications and mandates acceptable to the World Bank.
6. The Program 1 Implementation Team shall be responsible for day-to-day Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement.

###### *District Implementation Support Teams*

7. The Recipient shall: (a) maintain and assign to the implementation of the Project, the District Implementation Support Teams, established pursuant to Section I.A.7 of Schedule 2 of the Original Financing Agreement; and (b) for each such additional District identified during Project implementation, establish, prior to Project implementation in such District, and thereafter maintain throughout



Project implementation, such Team, with mandate and staffing acceptable to the World Bank.

8. The District Implementation Support Teams shall be responsible for District-level Project implementation.

**B. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**C. Project Implementation Manual**

1. The Recipient:
  - (a) shall: (i) maintain the Project Implementation Manual, agreed with the World Bank and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation; and (ii) ensure that the Project is carried out in accordance with such Manual; and
  - (b) may not, except as the World Bank shall otherwise agree, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementation Manual, and those of this Agreement, the latter shall prevail.

**D. Safeguards**

1. (a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework, any Environmental Management Plans, the Small Dam Guidelines, any Dam Safety Plans, the Resettlement Policy Framework, any Resettlement Action Plans, Compensation Note, and the Pest Management Plan; and
  - (b) except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. Wherever required in accordance with the provisions of the frameworks referred to in paragraph 1(a) of this Part D, the Recipient shall, for the purposes of any Subproject, and prior to implementation thereof, proceed to have an

Environmental Management Plan, Resettlement Action Plan, or Dam Safety Plans in accordance with the provisions of paragraph 8 (b) of this Part D, as the case may be:

- (a) prepared in form and substance satisfactory to the World Bank; and
  - (b) except as otherwise agreed with the World Bank, submitted to the World Bank for review and approval, and thereafter adopted and locally disclosed.
3. Without limitation upon its other reporting obligations under Section II.A.1(a) of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the World Bank, on a quarterly basis, reports on the status of compliance with such Frameworks and Plans, giving details of:
- (a) measures taken in furtherance of such Frameworks and Plans;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Frameworks and Plans; and
  - (c) remedial measures taken or required to be taken to address such conditions.
4. The Program 1 Implementation Team shall be responsible for the preparation, as the case may be, implementation, and monitoring and evaluation of such Frameworks and Plans.
5. In the event of any conflict between the provisions of any such Framework or Plan, and those of this Agreement, the latter shall prevail.

#### Dam Safety

##### *Small and Large Dams*

6. The Recipient shall:

- (a) furnish to the World Bank for review, prior to the issuance of a request for proposals relating to a contract for the provision of technical services relating to the investigation, design, or construction or the commencement of operations of a dam, terms of reference satisfactory to the World Bank for such contract, and appoint for the provision of such services professionals with qualifications and experience satisfactory to the World Bank;

- (b) furnish to the World Bank for review, no later than 15 days after the completion or receipt of each such report, all reports relating to dam safety prepared by the Recipient, any independent specialists assessing a dam under construction or targeted under the Project, or professionals appointed by the Recipient to design, construct, fill, and start up a dam; and
  - (c) furnish to the World Bank for review, as soon as available, all information relevant to dam safety, including cost estimates, construction schedules, procurement procedures, technical assistance arrangements, environmental and social assessments, along with the dam proposal, technical aspects, inspection reports, and any actions plans relating to dam safety prepared by the Recipient.
7. The Recipient shall furnish to the World Bank for review, no later than three (3) months prior to the Closing Date, operational procedures with respect to dams constructed or targeted under the Project, including retention of written instructions for flood operations and emergency preparedness at such dams at all times, incorporation of necessary modifications to technical criteria for the evaluation of dam safety further to the advent of new technology or information, and application of such revised criteria to such dams and other dams under the Recipient's jurisdiction as necessary.

*Large Dams*

8. The Recipient, for the purposes of any Large Dam Subproject:
- (a) (i) shall establish, prior to the investigation phase of the subject Large Dam and in accordance with the provisions of Section III of this Schedule, and provide administrative support to, a Panel comprising at least three (3) experts acceptable to the World Bank and with terms of reference acceptable to the World Bank for review of the investigation, design, and construction and the commencement of operations of the subject Large Dam, such terms of reference including review of and provision of advice relating to safety and other critical aspects of the subject Large Dam, its appurtenant structures, the catchment area, the area surrounding the reservoir, and downstream areas;
  - (ii) (A) shall convene, beginning as early as in Large Dam Subproject preparation as possible, periodic Panel meetings and reviews, which shall continue through the investigation, design, construction, and initial filling and start-up phases of the subject Large Dam, (B) shall inform the World Bank in advance of each such meeting such that the World Bank may participate in such

meeting as an observer, and (C) shall furnish to the World Bank for review, no later than 15 days after the receipt of each such report, a copy of the Panel's report of its conclusions and recommendations following each such meeting; and

- (iii) shall furnish to the World Bank for review, following the initial filling of the reservoir and the start-up of the subject Large Dam, a copy of the Panel's report of its findings and recommendations in relation to such filling and start-up, and may disband the Panel in consultation with the World Bank following such review if no significant difficulties have been encountered in the filling and start-up.
- (b) shall submit to the World Bank for review, and thereafter take all measures required to address the conclusions and recommendations of such review and adopt, Dam Safety Plans, of such scope and detail as the World Bank shall have reasonably requested and which shall have been reviewed by the Panel and reflect the conclusions and recommendations of such review, as follows:
  - (i) (A) a Dam Construction Supervision and Quality Assurance Plan, (B) a broad framework Dam Emergency Preparedness Plan and an estimate of funds needed to prepare such Plan in detail, and (C) a preliminary Dam Operation and Maintenance Plan, all along with the annual work plan and budget referred to in Section II. C of this Schedule reflecting the subject Large Dam Subproject,
  - (ii) a Dam Instrumentation Plan during the design phase of the subject Large Dam, and prior to bid tendering under the Large Dam Subproject,
  - (iii) a Dam Emergency Preparedness Plan no later than one (1) year prior to the initial filling of the subject Large Dam, and
  - (iv) a Dam Operation and Maintenance Plan no later than six (6) months prior to the initial filling of the subject Large Dam.
- (c) shall prequalify bidders prior to bid tendering under the Large Dam Subproject; and
- (d) shall have periodic dam safety inspections performed by independent professionals, with qualifications, experience, and terms of reference satisfactory to the World Bank and who have not been involved in the

investigation, design, construction, or operation of the subject Large Dam, following the initial filling and start-up of the subject Large Dam.

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

### **A. Project Reports**

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in Section II.A.1 of Schedule 2 of the Original Financing Agreement. Each Project Report shall cover the period of one calendar year, and shall be furnished to the World Bank not later than 45 days after the end of the period covered by such report.

### **B. Financial Management, Financial Reports and Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
4. The Recipient shall maintain and dedicate to the implementation of the Project the software adopted pursuant to Section II.B.2 of the Schedule 2 of the Original Financing Agreement.

### **C. Annual Work Plans and Budgets**

- (a) The Recipient shall prepare and furnish to the World Bank for its approval, not later than June 1 of each year during the implementation of the Project, an Annual Work Plan and Budget containing all eligible Project activities and expenditures planned for the following Fiscal Year, including a specification of the source or sources of financing for each contract for expenditures eligible for financing from each such source and the percentage of financing of each contract from each such source.

- (b) The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plan and Budget approved for the respective Fiscal Year; provided, however, that in case of any conflict between any Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail.

#### **D. Annual Reviews**

The Recipient shall review with the World Bank, no later than one (1) month after the transmittal to the World Bank of each Project Report, or such later date as the World Bank shall request, such Report, and, thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such Report and the World Bank's views on the matter.

### **Section III. Procurement**

#### **A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

#### **B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>	
(a)	Limited International Bidding
(b)	National Competitive Bidding
(c)	Shopping
(d)	Framework Agreement
(e)	Direct Contracting
(f)	Force Account
(g)	Community Participation in Procurement

3. **Modifications to National Competitive Bidding Procedures.** National Competitive Bidding may be used subject to the following additional procedures:

(a) Eligibility

The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed in whole or in part by the World Bank for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation. Where joint ventures are permitted, the joint ventures shall confirm joint and several liability. Recipient-owned entities shall be eligible to participate in bidding for contracts if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

(b) Bid Validity Period

Any extension of the bid validity period shall be granted only under exceptional circumstances and for the minimum period required to complete the evaluation, obtain required approvals, and award the contract.

(c) Bid Security

Bid security may not be required for any procurement under contracts of less than \$100,000 equivalent.



(d) Qualification Criteria

Exclusion from participation in bidding for contracts as a result of debarment by the Recipient may only result from a violation on clearly identified grounds of fraud and corruption in accordance with a fair and transparent process resulting in a final decision.

(e) Standard Bidding Documents

National standard bidding documents, in form and substance satisfactory to the World Bank, shall be used.

(f) Bid Opening

Bids shall be opened in public, at the same time, or immediately after the deadline for the submission of bids. A copy of the minutes of the public bid opening shall be provided promptly to all bidders and the World Bank with respect to contracts subject to Prior Review by the World Bank.

(g) Rejection of All Bids and Re-bidding

All bids shall not be rejected, nor new bids solicited, without the prior written agreement of the World Bank.

(h) Confidentiality

Disclosure following the public opening of bids of the examination, clarification, and evaluation of bids and the recommendation of awards shall not be permitted until publication of the notice of award.

(i) Price Adjustment

Price adjustments may be permitted in the case of contracts for goods or works involving a delivery schedule or completion period, as the case may be, of not less than eight (8) and not more than eighteen (18) months, when market circumstances generate high commercial risks for both parties to the contract.

(j) Right to Inspect and Audit

Each contract financed from the proceeds of the Grant shall provide that the suppliers, contractors, and subcontractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the procurement and performance of the contract and to have such accounts and records audited by auditors appointed by the World Bank. The deliberate and material violation by the supplier, contractor, or subcontractor of such provision may amount to an

obstructive practice within the meaning of paragraph 7 of the Anti-Corruption Guidelines.

(k) Fraud and Corruption

The World Bank shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, if the World Bank determines at any time that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a contract financed by the World Bank.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-Based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>	
(a)	Quality-Based Selection
(b)	Selection under a Fixed Budget
(c)	Least-Cost Selection
(d)	Selection Based on Consultants' Qualifications
(e)	Single-Source Selection
(f)	Selection of Individual Consultants

**D. Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

#### **Section IV. Withdrawal of Grant Proceeds**

##### **A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods	6,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
(2) Works	19,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
(3) Consultant Services	15,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
(4) Training	6,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
(5) Operating Costs	1,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
(6) Unallocated	3,000,000	Such percentage as shall be specified in the Annual Work Plan and Budget for the respective Fiscal Year
<b>TOTAL AMOUNT</b>	<b>50,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2015.

## **APPENDIX**

### **Definition**

1. “Access to Finance Rwanda Initiative” means the Recipient’s program, established and designed to increase the number of poor people in Rwanda with access to financial services.
2. “Agriculture Sector Working Group” means the Recipient’s entity, established and operating pursuant to the Recipient’s Economic Development and Poverty Reduction Strategy (as hereinafter defined), responsible for the policy and strategic orientation of the agriculture sector.
3. “Annual Work Plan and Budget” means a plan and budget referred to in Section II.C of Schedule 2 to this Agreement.
4. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
5. “Common Framework for Engagement” means Recipient’s framework, dated November 15, 2009, setting out guidelines of the Program including technical, economic, environmental and social methodologies and criteria.
6. “Compensation Note” means the Recipient’s document setting out description of activities and map of route, amount of land affected, type of crop lost, preceding year’s yield of affected area for approximation of maximum potential loss, simple grievance redress mechanism, total budget for compensation, description of related public consultation, and an annex consisting of list of people to be compensated and certificate of compensation.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011.
8. “Dam Construction Supervision and Quality Assurance Plan” means the Recipient’s plan setting out measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the construction of or work on the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the World Bank, and such term includes any schedules or annexes to such Plan.

9. “Dam Emergency Preparedness Plan” means the Recipient’s plan setting out measures, including clear statements on the responsibility for operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, for when facility failure is considered imminent or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the World Bank, and such term includes any schedules or annexes to such Plan.
10. “Dam Instrumentation Plan” means the Recipient’s plan setting out measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with World Bank, and such term includes any schedules or annexes to such Plan.
11. “Dam Operation and Maintenance Plan” means the Recipient’s plan setting out measures, including organizational structure, staffing, technical expertise, and training required, equipment and facilities needed, procedures, and funding arrangements, including long-term maintenance and safety inspections, for the operation and maintenance of the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the World Bank, and such term includes any schedules or annexes to such Plan.
12. “Dam Safety Plans” means, collectively, the: (i) Dam Construction Supervision and Quality Assurance Plan; (ii) Dam Emergency Preparedness Plan; (iii) Dam Instrumentation Plan; and (iv) Dam Operation and Maintenance Plan.
13. “District” means an administrative subdivision of the Recipient, established pursuant to the Recipient’s Organic Law No. 29/2005 of December 31, 2005.
14. “District Implementation Support Team” means the Recipient’s entity, to be established under the supervisory authority of the Ministry of Agriculture and Animal Resources (as hereinafter defined), responsible for District-level implementation of the Program (as hereinafter defined).

15. “Economic Development and Poverty Reduction Strategy” means the Recipient’s strategy, dated September 2007, prepared through a participatory process involving civil society and development partners, setting out its macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs, for the period from 2008-12.
16. “Environmental and Social Management Framework” means the Recipient’s framework, dated November 2009, agreed with the World Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Framework.
17. “Environmental Management Plan” means the Recipient’s plan, to be agreed with the World Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of activities to be implemented under a Subproject (as hereinafter defined), offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Plan.
18. “Fiscal Year” means the 12-month period from July 1 to June 30; provided, however, that, in the case of the first Fiscal Year of the Project (“First Fiscal Year”), the Fiscal Year period shall run from the date of this Agreement to June 30 next following.
19. “Inter-Ministerial Steering Committee” means the Recipient’s entity, under the supervisory authority of its Agriculture Sector Working Group and referred to in Section I.A.2 of Schedule 2 to this Agreement, responsible for the policy and strategic orientation of the Physical Resources and Food Production Program (as hereinafter defined).
20. “Large Dam” means a dam: (i) 15 meters or more in height; (ii) between 10 and 15 meters in height and presenting special design complexities; or (iii) under 10 meters in height and expected to reach or exceed 15 meters in height during operation.

21. “Large Dam Subproject” means a Subproject (as hereinafter defined) for purposes of construction of a Large Dam under Part 2(b) of the Project.
22. “Ministry of Agriculture and Animal Resources” means the Recipient’s ministry at the time responsible for agriculture and animal resources.
23. “Office of the Permanent Secretary” means the Recipient’s office in the Ministry of Agriculture and Animal Resources responsible for coordination and budget management in the ministry.
24. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the World Bank pursuant to Section II.C of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, excluding the salaries of the Recipient’s civil service.
25. “Original Financing Agreement” means the Financing Agreement for Land Husbandry, Water Harvesting, and Hillside Irrigation between the Recipient and the International Development Association, dated February 8, 2010, as amended.
26. “Panel” means the independent panel of experts referred to in Section I.D.8(a)(i) of Schedule 2 to this Agreement.
27. “Pest Management Plan” means the Recipient’s plan, dated July 2009, agreed with the World Bank and setting out the measures to be taken for the development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Plan.
28. “Physical Resources and Food Production Program” or “Program 1” means the Recipient’s program, part of the Second Strategic Plan for the Transformation of Agriculture (as hereinafter defined), designed to intensify and develop sustainable production systems.
29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 22, 2011, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
30. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.



31. “Program” means the program, part of the Physical Resources and Food Production Program, designed to increase the productivity and commercialization of hillside agriculture in Rwanda, and set forth or referred to in the letter dated October 12, 2009, from the Recipient to the World Bank.
32. “Program 1 Implementation Team” means the Recipient’s entity, under the supervisory authority of the Office of the Permanent Secretary and established and operating pursuant to the Memorandum of Understanding of November 27, 2008 between the Recipient, represented by the Ministry of Agriculture and Animal Resources, and development partners, responsible for the implementation of Program 1.
33. “Project Implementation Manual” means the Recipient’s manual, referred to in Section I.C.1 of Schedule 2 to this Agreement and dated July 21, 2010, as the same may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such Manual.
34. “Resettlement Action Plan” means the Recipient’s plan, to be agreed with the World Bank and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under a Subproject (as hereinafter defined), in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Plan.
35. “Resettlement Policy Framework” means the Recipient’s framework, dated July 2009, agreed with the World Bank and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under the Project, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Framework.
36. “Second Strategic Plan for the Transformation of Agriculture” means the Recipient’s plan, dated December 15, 2008, designed to provide the framework for engagement for agricultural development in Rwanda and which serves as the Recipient’s programmatic national agricultural strategy.
37. “Sector-Wide Approach” means an approach to development partner investment financing aimed at supporting a country-owned, comprehensive sector program in a flexible and coordinated manner.

- 38. “Small Dam” means a dam less than 15 meters in height and which would not otherwise qualify as a Large Dam pursuant to the provisions of paragraph 17(ii) or (iii) of this Section I.
- 39. “Small Dam Guidelines” means the Recipient’s guidelines, dated September 2005, setting out generic safety measures for the construction supervision and quality assurance, instrumentation, and operation and maintenance of, and emergency preparedness in relation to, Small Dams, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Guidelines.
- 40. “Standard Conditions” means the Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010.
- 41. “Subproject” means infrastructure activities under Part 1(c)(i)(C), Part 1(c)(ii) (A), and / or Part 2 of the Project.
- 42. “Target Areas” means the sub-watersheds in the Recipient's territory identified as the sites for the Project investments and activities, meeting technical, economic, environmental, and social criteria as defined in the Common Framework for Engagement.
- 43. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section II. C of Schedule 2 to this Agreement as approved by the World Bank, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.