



Date: 18-Jan-2025

Honorable Yusuf Murangwa
Minister of Finance and Economic Planning
Kigali, Rwanda

Re: REPUBLIC OF RWANDA
Omnibus Amendment to Financing Agreements to introduce the
Rapid Response Option

Dear Honorable Minister:

We refer to the financing agreements between the *Republic of Rwanda* and the International Development Association (“Association”) in respect of the credits/financing/grants listed in Annex 1 to this letter (“Financing Agreements”). We also refer to your letter dated June 28, 2024 and our recent discussions regarding the incorporation of the Rapid Response Option (RRO) approved by the World Bank Board of Directors on February 1, 2024 in the Financing Agreements.

In view of the above, and to establish the RRO, the Association proposes to amend the Financing Agreements in accordance with Annex 2 to this letter.

All other terms and conditions the Financing Agreements shall remain in full force and effect.

Please confirm your agreement with the foregoing by signing and dating this amendment letter in the space provided below.

The provisions set forth in this amendment letter shall become effective as of the date of the countersignature.

Sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Sahr Kpundeh
Sahr Kpundeh
Country Manager for Rwanda
Eastern and Southern Africa Region

AGREED:
REPUBLIC OF RWANDA

By: Mr. Yusuf Murangwa
Authorized Representative

Name: Mr. Yusuf Murangwa
Minister of Finance and Economic Planning

Title: _____

Date: 31-Jan-2025

Enclosures:
Annex 1: List of Financing Agreements
Annex 2: Amendments to Financing Agreements

ANNEX 1
List of Financing Agreements.

Credit No.	Program Name and Number	Signature Date
Credit Number 7638-RW and Credit Number 7627-RW	Priority Skills for Growth and Youth Empowerment Program	September 12, 2024

ANNEX 2
Amendments to the Financing Agreements

1. A new Section 1.03 is added to Article I of the Financing Agreements to read as follows:

“1.03. All references to: (a) “Program” in the General Conditions are understood to apply, *mutatis mutandis*, to the Contingent Emergency Response Project (“CERP”) only for purposes of the specific provisions of this Agreement that refer to the CERP (except for the relevant Sections on “Project Monitoring and Evaluation” and “Financial Management; Financial Statements; Audits” , and the definitions of “Program”, “Program Agreement”, “Program Implementing Entity”, “Program Implementing Entity’s Representative”, “Program Report” and “Respective Part of the Program”, and any provisions related to “Program Fiduciary, Environmental and Social Systems); and (b) “Program Expenditures” are understood to apply *mutatis mutandis*, to the Eligible Expenditures for the CERP only for purposes of the specific provisions of this Agreement that refer to the CERP.”
2. Section 2.01 in Article II of the Financing Agreements is amended by adding the following sentence at the end of this Section:

“Furthermore, the parties to this Agreement agree that the Credit/Financing/Grant includes the Rapid Response Option (“RRO”).”
3. Section 3.01 in Article III of the Financing Agreements is amended by adding the following sentence at the end of this section:

“Furthermore, the Recipient declares its commitment to the objectives of the CERP, and to this end, shall carry out, or cause to be carried out, the CERP in accordance with Article V of the General Conditions and the Addendum to Schedule 2 to this Agreement.”
4. Part A (General) of the Section on Withdrawal of the Proceeds of the Financing of Schedule 2 to the Financing Agreements is amended by adding a new paragraph in accordance with the applicable numbering sequence, as follows:

“[#]. Notwithstanding the provisions of the previous paragraph(s) of this Section, and solely with respect to the amount of the Financing allocated to: (a) the Category titled “Eligible Expenditures for the CERP”, the Recipient may withdraw the proceeds of the Financing, in accordance with Article II of the General Conditions, the relevant provisions of Section B below, and the CERP Disbursement and Financial Information Letter, to finance 100% of Eligible Expenditures for the CERP (inclusive/exclusive of Taxes) ; and (b) the Category titled “Complementary Financing for the Cat DDO”, the Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Section II.A of the relevant Schedule on Program Actions, Availability of Financing Proceeds to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement), which are hereby incorporated by reference in this Agreement, and which shall apply, *mutatis*

mutandis, to the amount of the Financing allocated to the aforementioned Category.”

5. The withdrawal table set forth in Part A (General) of the Section on Withdrawal of the Proceeds of the Financing of Schedule 2 to the Financing Agreements is amended by adding two additional categories in accordance with the applicable numbering sequence, as follows:

(#) Eligible Expenditures for the CERP		0
(#) Complementary Financing for the Cat DDO		0

6. Part B (Withdrawal Conditions; Withdrawal Period) of the Section on Withdrawal of the Proceeds of the Financing of Schedule 2 to the Financing Agreements is amended by adding the following paragraphs at the end of said part:

“[#]. Further to paragraph 1 above and notwithstanding the provisions of Part A above, no withdrawal shall be made:

[(a) for Eligible Expenditures for the CERP under the respective Category, until and unless the Association has notified the Recipient that the following conditions have been fulfilled:

(i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Financing Balance for the financing of a specific Crisis Response Plan under a CERP under implementation at the time of the request; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(ii) the Recipient has adopted the CERP Manual (with the CERP ESCP attached as an annex) and the Crisis Response Plan, both in form and substance acceptable to the Association; or

[(b) for Complementary Financing for the Cat DDO, until and unless:

(i) the Recipient has furnished to the Association a request to reallocate all or part of the Unwithdrawn Financing Balance for the Complementary Financing for the Cat DDO, and such notice specifies the Cat DDO Legal Agreement; and

(ii) the Association has accepted said request and notified the Recipient thereof, and is satisfied, based on evidence satisfactory to it, that the conditions precedent to withdrawal of the financing provided under the Cat DDO Legal Agreement have been fulfilled.

- [#]. In the event of withdrawal of the Complementary Financing for the Cat DDO, the Recipient shall comply with any provisions on “Deposits of Financing Proceeds” and “Audits” in the relevant Schedule to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement) to the same extent as if such provisions have been set out in full in this Agreement, except that: (a) the term “Financing”/“Credit” shall be deemed to refer to the amount of the Complementary Financing for the Cat DDO; and (b) the term “Financing Account”/“Credit Account”/“Grant Account” shall be deemed to refer to the Financing Account/Credit Account for this Financing.

- [#]. Notwithstanding the provisions of Article II of the General Conditions, and solely for the purpose of the amount of the Financing allocated from time to time to the Category titled “Eligible Expenditures for the CERP:
 - (a) at the Recipient’s request and on such terms and conditions as the Association and the Recipient shall agree, the Association may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation by the Association or the Recipient (“Special Commitment”). When the Recipient wishes to request the Association to enter into a Special Commitment, the Recipient shall promptly deliver to the Association a written application in such form and substance as the Association shall reasonably request.
 - (b) The Recipient may open and maintain one or more designated accounts into which the Association may, at the request of the Recipient, deposit amounts withdrawn from the Financing Account as advances for purposes of the CERP. All designated accounts shall be opened in a financial institution acceptable to the Association, and on terms and conditions acceptable to the Association.
 - (c) Deposits into, and payments out of, any such designated account shall be made in accordance with this Agreement and the CERP Disbursement and Financial Information Letter. The Association may, in accordance with this Agreement and such letter, cease making deposits into any such account upon notice to the Association. In such case, the Association shall notify the Association of the procedures to be used for subsequent withdrawals from the Financing Account.

- [#] The Recipient may not cancel any amount of the Unwithdrawn Financing Balance that is subject to a Special Commitment and no cancellation or suspension by the Association shall apply to amounts of the Financing subject to any Special Commitment except as expressly provided in the Special Commitment. The Recipient shall not have the right provided under the Section of the General Conditions titled “Cancellation of Guarantee” with respect to any amount of the Unwithdrawn Loan Balance subject to a Special Commitment.

7. An Addendum to Schedule 2 is added to the Financing Agreements to read as follows:

“ADDENDUM TO SCHEDULE 2

CERP Execution

Section I. Implementation Arrangements

1. The Recipient shall carry out the CERP pursuant to the Crisis Response Plan(s), the CERP Manual, the Environmental and Social Standards, the CERP ESCP and the environmental and social instruments prepared thereunder, all in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the structures and arrangements referred to in the CERP Manual are maintained throughout the implementation of the CERP, in a manner and substance acceptable to the Association;
 - (b) the environmental and social instruments required for the CERP, and the respective Crisis Response Plans are prepared, disclosed and adopted in accordance with the CERP Manual and the CERP ESCP, and in form and substance acceptable to the Association;
 - (c) the measures and actions specified in the applicable CERP ESCP are implemented with due diligence and efficiency, as provided in the CERP ESCP;
 - (d) sufficient funds are made available to cover the costs of implementing the CERP ESCP;
 - (e) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the CERP ESCP, as provided in the CERP ESCP;
 - (f) subject to the prior written agreement of the Association, any revised CERP ESCP, and/or environmental and social documents prepared thereunder, is/are disclosed promptly after their approval;
 - (g) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the CERP ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the CERP 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 CERP ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the CERP ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;
 - (h) the Association is promptly notified of any incident or accident related to or having an impact on the CERP 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 CERP ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

2. The Recipient shall ensure that neither the Crisis Response Plan nor the CERP Manual or the CERP ESCP is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association. Nevertheless, in the event of any inconsistency between the provisions of the CERP Manual, the Crisis Response Plan, or the CERP ESCP, on the one side, and any provision of this Agreement, on the other, the provisions of this Agreement shall prevail.
3. The Recipient shall, or shall cause to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of people affected by the CERP, 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.
4. The Recipient shall ensure that all bidding documents and contracts for civil works under the CERP include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of the CERP 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.
5. All goods, works, and services required for the CERP and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the latest iteration of the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” that had been issued by the Association on the day of the Association’s endorsement of the CERP for financing and the provisions of the CERP Procurement Plan. If at any time, the Association: (i) determines that the procurement of any contract to be financed out of the proceeds of the Financing under the CERP is inconsistent with the procedures set forth or referred to in this Agreement; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Financing, the Association]may, by notice to the Recipient, terminate the right of the Recipient to make withdrawals with respect to such amount. Upon the giving of such notice, such amount shall be cancelled.
6. The Recipient shall ensure that the CERP is carried out in accordance with the provisions of the latest iteration of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” that had been issued by the Association on the day of the Association’s endorsement of the CERP for financing.

7. Except as the Association shall otherwise agree, the Recipient shall ensure that all goods, works and services required for the CERP and financed out of the proceeds of the Financing are used exclusively for the purposes of the CERP.
8. The Recipient shall ensure that the records maintained pursuant to the Section of the General Conditions titled “Plans; Documents; Records” identify the Eligible Expenditures financing out of the Financing and disclose their use in the CERP.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall:
 - (a) maintain or cause to be maintained policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Association, the progress of the CERP and the achievement of its objectives;
 - (b) prepare or cause to be prepared periodic reports (“CERP Report”) and in form and substance satisfactory to the Association, integrating the results of the monitoring and evaluation activities of the CERP and setting out measures recommended to ensure the continued efficient and effective execution of the CERP, and to achieve its objectives; and such CERP Reports shall be prepared: (i) on an annual basis in the absence of an Eligible Crisis and Emergency; and (ii) at least semi-annually, as further determined in the CERP Manual, throughout the implementation period of a Crisis Response Plan during an Eligible Crisis and Emergency;
 - (c) furnish or cause to be furnished each CERP Report to the Association promptly upon its preparation, afford the Association a reasonable opportunity to exchange views with the Recipient on any such report, and thereafter implement such recommended measures, taking into account the Association’s views on the matter; and
 - (d) except as the Association may reasonably determine otherwise, not later than six (6) months after the end of the implementation period of the CERP, prepare or cause to be prepared and furnish to the Association: (i) a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the CERP, the performance by the Recipient and the Association of their respective obligations, and the accomplishment of the purposes of the Credit/Financing; and (ii) a plan designed to ensure the sustainability of the CERP’s achievements.
2. The Recipient shall:
 - (a) maintain or cause to be maintained a financial management system and prepare financial statements (“CERP 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 CERP;

- (b) have the CERP Financial Statements periodically audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
 - (c) not later than the date specified in the CERP Disbursement and Financial Information Letter, furnish or cause to be furnished to the Association the CERP Financial Statements as so audited, and such other information concerning the audited Financial Statements and such auditors, as the Association may from time to time reasonably request;
 - (d) make the audited CERP Financial Statements, or cause the audited CERP Financial Statements to be made, publicly available in a timely fashion and in a manner acceptable to the Association; and
 - (e) if requested by the Association, periodically furnish or cause to be furnished to the Bank interim unaudited financial reports for the CERP, in form and substance satisfactory to the Association and as further specified in the CERP Disbursement and Financial Information Letter.”
8. The following definitions are inserted in the Appendix to the Financing Agreements in alphabetical order, as follows:
- [(#) “Cat DDO Legal Agreement” means the agreement entered or to be entered between the Recipient and the Association providing for the Cat DDO, whose closing date is after the date when the Recipient requests the withdrawal of the Complementary Financing for the Cat DDO, as further specified by the Recipient in such request for withdrawal.
 - (#) “Cat DDO” means the financing provided under the Cat DDO Legal Agreement with a deferred drawdown option for catastrophe risks.
 - [(#) “CERP Disbursement and Financial Information Letter” means the letter transmitted by the Association to the Recipient specifying the additional instructions for disbursement (including the “World Bank Disbursement Guidelines for Projects”, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such letter) and setting out CERP specific financial reporting requirements.
 - (#) “CERP ESCP” means the environmental and social commitment plan for the CERP to be prepared and adopted by the Recipient, as the same may be amended from time to time in accordance with the provisions thereof, setting forth 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 activities detailed in the Crisis Response Plan, 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.

- (#) “CERP Financial Statements” means the financial statements referred to in Section II.2 (a) of the Addendum to Schedule 2 to this Agreement.
- (#) “CERP Manual” means the implementation manual to be prepared and adopted by the Recipient setting forth the detailed implementation arrangements for the CERP, including: (i) any structures or institutional arrangements, allocation of responsibilities and decision making powers for coordinating and implementing the activities thereunder; (ii) the specific activities to be implemented under the CERP in response to the declared/determined Eligible Crisis and Emergency; (iii) the template for the Crisis Response Plan; (iv) the positive list of Eligible Expenditures for the CERP; (v) the financial management and withdrawal arrangements for the CERP; (vi) the procurement methods and procedures to be followed in the implementation of the CERP; (vii) a description of the environmental and social assessment and management arrangements applicable to the CERP; and (viii) template of the CERP Reports as well as the monitoring and evaluation arrangements for the activities thereunder.
- (#) “CERP Procurement Plan” means the Recipient’s procurement plan for the CERP, provided for under Section IV the Procurement Regulations, as such plan may be updated from time to time with the Bank’s approval.
- (#) “CERP Report” means each report on the CERP to be prepared and furnished to the Bank pursuant to Section II.1 of the Addendum to Schedule 2 to this Agreement.
- (#) “Complementary Financing for the Cat DDO” means the amount of the Financing allocated to the category entitled “Complementary Financing for the Cat DDO” in the table set forth in the relevant Section on Withdrawal of Financing Proceeds of Schedule 2 to this Agreement.
- (#) “Contingent Emergency Response Project” or “CERP” mean the contingent emergency response project prepared from time to time by the [Borrower][Recipient] and agreed with the Association, aimed at responding promptly and effectively to an Eligible Crisis or Emergency, as further elaborated in the Crisis response Plans, as amended from time to time by agreement between the Recipient and the Association.
- (#) “Crisis Response Plan” means the plan to be prepared and adopted by the Recipient in response to an Eligible Crisis or Emergency, detailing, among others: (i) the activities to be implemented under the CERP in response to the Eligible Crisis or Emergency; (ii) the estimated budget therefor and corresponding appropriations and/or financing sources; (iii) the implementation timeline which, unless the Association otherwise agrees, shall not exceed twelve (12) months; (iv) the foreseeable procurement and an abridged CERP Procurement Plan therefor; and (v) the envisioned results framework and indicators.

- (#) “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.
- (#) “Eligible Expenditure” means an expenditure which meets the requirements of the relevant Section titled “Program Expenditures” of the General Conditions.
- (#) “Rapid Response Option” or “RRO” means the use of all or any portion of the Financing that has been requested by the [Borrower][Recipient] and accepted by the Association in accordance with the terms of this Agreement to: (a) assist in financing the CERP; and (b) provide complementary financing in support of the program defined in the Cat DDO Legal Agreement.
- (#) “Special Commitment” means any special commitment entered into or to be entered into by the Association pursuant to this Agreement.