



**CREDIT NUMBER 7627-RW (CREDIT A)**  
**CREDIT NUMBER 7638-RW (CREDIT B)**

# **Financing Agreement**

**(Priority Skills for Growth and Youth Empowerment Program)**

**between**

**REPUBLIC OF RWANDA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**



## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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 credits, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Credit” and “Financing”), in the following amounts to assist in financing the program described in Schedule 1 to this Agreement (“Program”):
  - (a) the amount of one hundred and seven million Dollars (USD 107,000,000) (“Credit A”); and
  - (b) the amount of ninety-three million Dollars (USD 93,000,000) (“Credit B”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 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 January 15 and July 15 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedules set forth in Schedule 3 to this Agreement.

- 2.06. The Payment Currency is Dollar.

### **ARTICLE III — PROGRAM**

- 3.01. The Recipient declares its commitment to the objectives of the Program. To this end, the Recipient shall carry out the Program and cause the Program to be carried out by the Program Implementing Entities in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the respective Program Agreements.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following, namely, any of the Program Implementing Entities' Legislations has, in the opinion of the Association, been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the said Program Implementing Entity to perform any of its obligations under this Agreement or the respective Program Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Subsidiary Agreements between the Recipient and each of the Program Implementing Entities have been prepared and duly executed in form and substance satisfactory to the Association; and
  - (b) the Recipient has prepared and adopted the Program Operations Manual (POM), in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is its minister responsible for finance.

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

(a) the Recipient's address is:

Ministry of Finance and Economic Planning  
12 KN 3 Ave  
P.O BOX 158  
Kigali, Rwanda; and

(b) the Recipient's Electronic Address is:

Fax:  
+250 25 257 5756

E-mail:  
info@minecofin.gov.rw

6.03. 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) 1-202-477-6391

Facsimile:  
E-mail:  
rwandainfo@worldbank.org

AGREED as of the Signature Date.

**REPUBLIC OF RWANDA**

**By**

*Mr. Yusuf Murangwa*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Mr. Yusuf Murangwa

**Title:** Minister of Finance and Economic Planning

**Date:** 12-Sep-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Sahr Kpundeh*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Sahr Kpundeh

**Title:** Country Manager, World Bank, Rwanda

**Date:** 11-Sep-2024

## SCHEDULE 1

### Program Description

The objectives of the Program are to improve employability for target beneficiaries and strengthen institutional capacity for enhanced service delivery in skills development.

The Program consists of the following activities:

#### **Part 1: Increase opportunities for the acquisition of market-demanded skills by vulnerable and NEET youths**

Scaling up the operations of the Skills Development Fund (SDF) and other authorized trainers, to address skills gaps and market inefficiencies in the training and admission of vulnerable and unemployed youths into the labor market, through:

- (a) *Window 1: Short-term upskilling of existing workforce and potential employees of investors*, by: (i) short-term training - including on efficiency technologies - of existing workers in small and medium enterprises to increase productivity and relevance; (ii) rapid training on specific skillset for prospective employees of new investors under the Rwanda Development Board; and (iii) support for formal apprenticeship of up to 18 months, with a focus on the construction sector.
- (b) *Window 2: NEET youth*, by providing relevant NEET youth with (i) practical skills for jobs in labor-intensive trades of the priority economic sectors, including industrial based training of up to six months, dual training of up to six months, and internships of up to three months, and (ii) functional literacy and transversal skills, as well as awareness on basic climate resilience and approaches.
- (c) *Window 3: Short-term training for the informal sector and Recognition of Prior Learning (RPL)*, by (i) upskilling of existing workers or self-employed youth in informal micro enterprises and owners of these enterprises, as well as members of cooperatives and farmers' groups; (ii) certification of skills acquired through informal and non-formal training; and (iii) provision of basic business training targeting owners of micro and small enterprises and their employees to strengthen their business competences.
- (d) *Window 4: Short term training to meet growing demand for middle level skills in the construction sector*, by supporting short term training, assessment, and certification, for selected specialized skills within the construction private sector, including upskilling for existing low level construction workers.

**Part 2: Improve quality and market relevance of target TVET and degree programs for the workforce.**

Carrying out a program of activities designed to support Higher Education Council (HEC), Rwanda Technical and Vocational Education and Training Board (RTB), University of Rwanda (UR), Rwanda Polytechnic Higher Learning Institution (RP), and Development Bank of Rwanda (BRD), to improve the quality and relevance of TVET and degree programs, through:

- (a) *Strategic capacity building of HEC on TVET policy development and implementation*, including (i) support for recruitment of relevant experts to assist HEC staff in updating existing policies and guidelines, and establishing new policies and guidelines including on accreditation of eLearning and Blended Learning Programs, verifiable digital credentials, micro-credentials, digital portfolios, electronic invigilation, artificial intelligence and emerging disruptive technologies; and (ii) training of relevant HEC, UR, and RP staff on external and internal quality assurance mechanism and tools including institutional based application of the Rwanda Qualifications Framework.
- (b) *Effective delivery of new and/or updated TVET programs at RP and RTB*, including supporting: (i) RP and HEC in structuring and accrediting priority Btech programs as Blended Learning Programs, (ii) RP on staff recruitment and staff development through short-term and long-term trainings; (iii) RTB in upgrading of teaching staff through short-term technical training, (iv) the enrollment of selected trainers in the RP's Btech programs, and industrial attachments for staff and trainers;
- (c) *Improving UR management practices and catalyzing institutional transformation*, including (i) development and approval of UR institutional and legal framework, (ii) enhancement of UR Management Information System (MIS); and (iii) rationalization of academic programs to align with the evolving needs of the labor market;
- (d) *Improving teaching-learning conditions in UR, RP and RTB*, including (i) equipping *inter alia*, target SMART classrooms and laboratories; (ii) training relevant instructors in the effective use of the technologies; and (iii) supporting the construction of student hostels at Selected UR and RP Campuses;
- (e) *Sustaining the financing of long-term training through improved administration of student loans*, by strengthening the capacity of BRD to administer Rwanda's student loan administration and management scheme, including (i) developing and implementing important upgrades to the loan administration system, (ii) upgrading the MINUZA recovery module; (iii) developing a module to manage student loan beneficiaries who are abroad; (iv) developing and launching the MINUZA mobile application; (v) conducting

education financing data analytics; and (vi) operationalizing BRD Education Call Center.

**Part 3: Strengthen governance of the overall skills development system.**

Carrying out a program of activities designed to address the gaps/weaknesses in the governance of the skills development system through:

- (a) *Operationalization of the Sector Skills Councils (SSCs) in selected priority sectors, towards ensuring that new and existing programs, including under Parts 1 and 2 above, are responsive to the changing industry demand and supports Rwanda's economic transformation.*
- (b) *Implementation of phase II of the Labor Market Information system (LMIS), including developing an action plan to advance the upgrade and rollout of the LMIS system.*
- (c) *Implementation of a consolidated three-year capacity building plan for key actors in skills development, including capacity building for inter alia, CSO-MIFOTRA, HEC, UR, RP, RTB and BRD, based on institutional needs assessments; and*
- (d) *Strengthening of CSO-MIFOTRA's capacity for coordinating skills development, including (i) building on its existing in-house experts' group to support National Skills Development and Employment Promotion Strategy (NSDEPS) implementation, and (ii) supporting the development of subsequent national skills strategy.*



## **SCHEDULE 2**

### **Program Execution**

#### **Section I. Implementation Arrangements**

##### **A. Program Institutions**

##### **1. Ministry of Education**

The Recipient shall designate throughout the implementation of the Program, the Ministry of Education (MINEDUC) with the overall responsibility for Program implementation and coordination. To this end, the Recipient shall maintain the Single Program Implementation Unit (SPIU) within MINEDUC, with composition, resources and terms of reference satisfactory to the Association, to carry out its functions as detailed in the POM.

##### **2. National Steering Committee**

The Recipient shall maintain throughout the implementation of the Program, the National Steering Committee (NSC) with composition, resources, and terms of reference satisfactory to the Association, to be chaired by the Minister or Permanent Secretary at MINEDUC, and responsible for providing strategic leadership and oversight to the implementation of the Program, and such other functions as may be detailed in the POM.

##### **3. Chief Skills Office, Ministry of Public Service and Labour (CSO-MIFOTRA)**

- (a) The Recipient shall maintain, throughout the implementation of the Program, the Chief Skills Office within the Ministry of Public Service and Labor, with composition and resources satisfactory to the Association.
- (b) Without limitation to paragraph 1 of Section I.A. of this Schedule, the Recipient through the Ministry of Education shall, not later than one month after the Effective Date, enter into a legal arrangement with the CSO-MIFOTRA, in form and substance satisfactory to the Association, setting out the modalities for the implementation of Part 3 of the Program.
- (c) The Recipient shall ensure that Part 3 of the Program is implemented in accordance with the legal arrangement referred to in Section I.A.3(b) of this Schedule.

**4. Program Implementing Entities**

Without limitation to paragraphs (1) to (3) of Section I.A. of this Schedule, the Recipient shall cause RTB, UR, RP, HEC, BRD (collectively, Program Implementing Entities), to each carry out specific activities under the Program, as set forth below:

- (a) RTB shall be responsible for implementing Part 1 of the Program (“RTB Respective Part of the Program”);
- (b) UR shall be responsible for implementing activities under Part 2 of the Program, including: (i) improving delivery of target TVET and degree programs, (ii) customization of the IEBMIS at UR, and such other activities as detailed in the POM (“UR Respective Part of the Program”);
- (c) RP shall be responsible for implementing activities under Part 2 of the Program, including improving delivery of target TVET and degree programs, and such other activities as detailed in the POM (“RP Respective Part of the Program”);
- (d) HEC shall be responsible for implementing activities under Part 2 of the Program, including (i) providing quality assurance of TVET and degree programs, (ii) structuring and accrediting priority Blended Learning Programs, and such other activities as detailed in the POM (“HEC Respective Part of the Program”);
- (e) BRD shall be responsible for implementing activities under Part 2 of the Program, including: (i) improving sustainability of student financing, (ii) strengthening BRD inhouse capacity to improve the administration and management of the student loan scheme, (iii) administration of the laptop acquisition scheme for first year students in higher learning institutions, and such other activities as detailed in the POM (“BRD Respective Part of the Program”).

**B. Subsidiary Agreements**

- (a) To facilitate the carrying out of the Program Implementing Entities’ Respective Part of the Program, the Recipient shall make part of the proceeds of the Financing available to each of the Program Implementing Entities under a subsidiary agreement between the Recipient and the respective Program Implementing Entities, under terms and conditions approved by the Association (“Subsidiary Agreement”).
- (b) The Recipient shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Recipient and the Association

and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreements or any of its respective provisions.

**C. Additional Program Implementation Arrangements**

**1. Program Action Plan**

- (a) Without limitation upon the generality of Part A of this Section I, the Recipient shall carry out the Program Action Plan, and cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan in a manner satisfactory to the Association, and shall not amend, abrogate suspend, or permit to be amended, abrogated or suspended any provision of the Program Action Plan without the prior written agreement of the Association.
- (b) Notwithstanding the foregoing, if any provision of the said Program Action Plan is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**2. Program Operations Manual**

- (a) The Recipient shall (i) prepare in form and substance satisfactory to the Association, an operational manual containing detailed institutional, administrative, financial, environmental and social, technical and operational guidelines and procedures for the implementation of the Program, including a description of the roles and responsibilities of each of the Program Implementing Entities, and thereafter carry out the Program and cause the Program Implementing Entities to carry out the Program, in accordance with such operational manual, as shall have been approved by the Association (“Program Operations Manual” or “POM”); and (ii) cause RTB, to prepare, as an annex to the POM, an SDF operations manual (“SDF Operations Manual”), in form and substance satisfactory to the Association.
- (b) The Recipient shall not amend, abrogate, suspend, or permit to be amended, abrogated or suspended, any provision of the Program Operations Manual, without the prior written agreement of the Association.
- (c) Notwithstanding the foregoing, if any provision of the Program Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section II. Excluded Activities**

The Recipient shall ensure that the Program excludes any activities which:

- A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost US\$115 million equivalent or more per contract; (2) goods, estimated to cost US\$75 million equivalent or more per contract; (3) non-consulting services, estimated to cost US\$75 million equivalent or more per contract; or (4) consulting services, estimated to cost US\$30 million equivalent or more per contract.

**Section III. Program Monitoring, Reporting and Evaluation**

**A. Program Reports**

The Recipient shall furnish to the Association each Program Report not later than forty-five (45) after the end of each calendar semester, covering the calendar semester.

**B. Verification of Program Results**

Without limitation on the provisions of Part A of this Section III, the Recipient shall prior to each payment under the Program, carry out in accordance with the Verification Protocol, an assessment to determine the extent to which the Disbursement Linked Results (“DLRs”) in respect of which payment is requested has been achieved. To this end, the Recipient shall:

- (a) vest in the Office of the Auditor General (“OAG”) the responsibility of undertaking the verification of compliance with the DLIs/DLRs which are set forth in the table in Section IV.A.2 of this Schedule;
- (b) cause the OAG to maintain throughout Program implementation, adequate resources, facilitation and key staff (including any consultants/experts as may be deemed necessary), with qualification, experience and terms of reference satisfactory to the Association, to undertake the verification of compliance with the DLIs/DLRs; and
- (c) cause the OAG to, not later than thirty (30) days after the verification of compliance of the DLIs/DLRs has been completed, prepare and furnish to the Recipient and the Association, a report on the results of said verification of compliance process of such scope and in such detail as the Association shall reasonably request.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. 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 finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient/Program Implementing Entities, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Financing to each Category:

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Disbursement Calculation Formula</b>	<b>Amount of the Financing Allocated from Credit A (expressed in USD)</b>	<b>Amount of the Financing Allocated from Credit B (expressed in USD)</b>
(1) DLI #1: Number of graduates of SDF and other target trainings supported programs by window	DLR #1.1. Contracts or MoUs signed with SDF Grantees or companies implementing large government projects	US\$ 100,000 for each contract/ MoU signed.  Baseline: 0 Target: 200 Contracts or MoUs	10,700,000	9,300,000
	DLR #1.2: Achievement of SDF graduate targets from SDF Grantees and other training institutions authorized to offer short courses under DLR# 1.3.	US\$ 2.5 million for each batch of 5,000 SDF graduates from the SDF Grantees/other training institutions under DLR#1.3  Baseline: 23, 296  Target: 93,296 (Female:40%)	18,725,000	16,275,000

	DLR #1.3: Private companies, associations, cooperatives, trade unions, and Non-governmental Organizations (NGOs) authorized by RTB to provide self-paid short-term trainings.	US\$ 166,666.67 for each private company, association, cooperative, trade union, and NGO authorized by RTB to provide self-paid short-term trainings.  Baseline: 10  Targets: 40	2,675,000	2,325,000
(2) DLI #2: Improved delivery of target skills development programs	DLR #2.1: Contracts signed by UR and RP with technical support firm(s) for integrated packages (facilities upgrade and ICT-enabled pedagogies) for effective delivery of target programs.	(a) US\$ 10 million for contract signed by UR  (b) US\$ 10 million for contract signed by RP	5,350,000  5,350,000	4,650,000  4,650,000
	DLR #2.2: Target UR and RP programs being taught in newly equipped SMART classrooms/labs/workshops using new ICT-enabled pedagogical methodologies.	US\$ 1.5 million for each program up to a maximum of 20 programs.  Baseline: 0 programs Target: 20 programs	16,050,000	13,950,000
	DLR #2.3: Number of students in public universities and polytechnics that have received a laptop.	(a) US\$ 13 million for 13,000 students who receive laptops*	6,955,000	6,045,000
		(b) US\$ 3.5 million for a batch of 3,500 students who receive laptops for a maximum of 2 batches.	3,745,000	3,255,000

		Baseline: 11,027 Target: 31,027		
	DLR #2.4: Percentage of UR and RP students benefiting from hostels (disaggregated by gender)	(a) US\$ 2.5 million for each student's hostel Master Plan developed and approved for UR & RP  (b) US\$ 2.5 million for each contract signed by UR & RP with the contractors  (c) US\$ 5 million for an increase of 2% of females benefiting from hostels at both UR and RP.  Baseline: 24% (Female:58%)  Target: 29 % (Female: 60%)	2,675,000  2,675,000  2,675,000	2,235,000  2,235,000  2,235,000
	DLR #2.5: Number of Staff teaching UR, RP and RTB programs recruited as set out in the need assessment report for UR, RP and RTB.	US\$ 89,285.7 for each staff recruited.  Baseline: 73 Target: 129	2,675,000	2,325,000
(3) DLI #3: Improved institutional performance of UR, HEC, and BRD to	DLR #3.1: Improvement of UR's management practices and institutional strengthening through:			

improve service delivery	(a) UR Legal and Regulatory Framework approved by relevant organs (UR law, two Prime Ministers Orders (PMOs) and three Internal Policies including staff workload policy)	(a) US\$ 5 million for UR Legal and Regulatory Framework approved	2,675,000	2,325,000
	(b) Integrated Enterprise Resource Planning (ERP)/Management Information System (MIS) revamped and utilized	(b) US\$ 2.6 million for Integrated ERP/MIS system revamped and utilized	1,391,000	1,209,000
	(c) Academic programs reduced, reviewed and approved in line with the labor market needs.	(c) US\$ 0.16 million for each program reduced, reviewed and approved up to a maximum of 15 programs	1,284,000	1,116,000
	DLR #3.2: Governance of HEC strengthened to deliver on its new mandate regarding enhancing quality in both polytechnics and universities through:  (a) Expert Group recruited to support HEC enhance quality in both polytechnic and universities;	(a) US\$ 2 million for Expert Group recruited.	1,070,000	930,000



	<p>(b) Policy, accreditation framework, and guidelines for Virtual Learning Environment (VLE) and Blended Learning Programs approved and published by HEC; and</p> <p>(c) Revised/updated, and approved quality assurance framework, guidelines, and tools for polytechnic and universities</p>	<p>(b) US\$ 2 million for approved and published policy, accreditation framework, and guidelines for VLE and Blended Learning Programs.</p> <p>(c) US\$ 2 million for revised/updated and approved quality assurance framework, guidelines, and tools for polytechnic and universities.</p>	<p>1,070,000</p> <p>1,070,000</p>	<p>930,000</p> <p>930,000</p>
	<p>DLR #3.3: B-Tech programs developed and accredited as Blended Learning Programs and students enrolled in the existing programs.</p>	<p>(a) US\$ 437,500 for each program accredited up to a maximum of 8 programs.</p> <p>(b) US\$ 500,000 for each batch of 190 students enrolled in B-Tech programs up to a maximum of 3 batches.</p> <p>Baseline: 0 programs and 0 students.</p> <p>Target: 8 programs and 570 new students enrolled</p>	<p>1,872,500</p> <p>802,500</p>	<p>1,627,500</p> <p>697,500</p>
	<p>DLR #3.4: Strengthen the BRD in-house capacity to administer</p>			

	<p>students' loan management scheme through:</p> <p>(a) upgrading of MINUZA by adding 1 new module, reviewing 1 existing module and developing MINUZA mobile application; and</p> <p>(b) recruitment of 1 data scientist and 3 staff for the BRD Education Call Centre to conduct education financing data analytics and operationalize BRD Education Call Centre.</p>	<p>(a) US\$ 4 million for MINUZA upgrading</p> <p>(b) US\$ 1 million for recruitment of staff for data analytics and operationalization of the BRD Education Call Center.</p>	<p>2,140,000</p> <p>535,000</p>	<p>1,860,000</p> <p>465,000</p>
	<p>DLR #3.5: Percentage point improvement in loan recovery rate.</p>	<p>US\$ 600,000 for each percentage point increase.</p> <p>Baseline: 31%</p> <p>Target: 41</p>	<p>3,210,000</p>	<p>2,790,000</p>
<p>(4) DLI #4: Roll out of LMIS to meet specific needs of target and defined user groups through:</p> <p>(a) LMIS user needs, and customer journeys are defined and validated by different targeted user groups; and (b) LMIS is upgraded based on defined and validated user needs and customer journeys.</p>	<p>DLR 4.1:</p> <p>(a) LMIS user needs, and customer journeys are defined and validated by different targeted user groups; and</p> <p>(b) LMIS is upgraded based on defined and validated user needs and customer journeys.</p>	<p>(a) US\$ 1 million for LMIS user needs and customer journeys defined and validated.</p> <p>(b) US\$ 4 million for LMIS upgraded based on defined and validated user needs</p>	<p>535,000</p> <p>2,140,000</p>	<p>465,000</p> <p>1,860,000</p>

		and customer journeys		
(5) DLI #5: Sector Skills Councils (SSCs) established and operationalized in priority sectors.	DLR 5.1: SSCs established and operationalized in priority sectors.	US\$ 800,000 for each SSCs established and operationalized up to a maximum of 5 SSCs.  Baseline: 1  Target: 6	2,140,000	1,860,000
(6) DLI #6: Completion of progress milestones in capacity building plan for 8 out of 13 specified capacity building areas as per three-year consolidated capacity building plan for PSG Implementing Entities approved by MIFOTRA-CSO.	DLR #6.1: Completion of progress milestones in capacity building plan for 8 out of 13 specified capacity building areas as per three-year consolidated capacity building plan for PSG Implementing Entities approved by CSO-MIFOTRA.	US\$ 0.5 million for each capacity building area completed up to a maximum of 8 capacity building areas.  Baseline: 7  Target: 15	2,140,000	1,860,000
(7) DLI #7: A new NSDEPS 2 developed and approved by NSDEPS Ministerial Steering Committee	DLR #7.1: A new NSDEPS 2 developed and approved by NSDEPS Ministerial Steering Committee	US\$ 5 million disbursed once NSDEPS 2 is approved.	2,675,000	2,325,000
<b>TOTAL</b>			<b>107,000,000</b>	<b>93,000,000</b>

*\*Prior Result*

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed USD 13,000,000

(53.5% from Credit A and 46.5% from Credit B) may be made on the basis of DLR 2.3 achieved prior to this date but on or after December 1, 2023; or

- (b) for any DLR under Categories (1) to (7), until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved.
- 2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw: (i) an amount not to exceed USD 47,000,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved by the Closing Date, the Recipient shall refund such to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
- 3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Categories (1) through (7) has not been achieved by the date by which the said DLR is set to be achieved (or such later date as the Association has established by notice to the Recipient), the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out for scalable DLRs in Part A of this Section; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.
- 4. The Closing Date is June 30, 2029.

## **Section V. Other Undertakings**

### **A. Counterpart Funding**

The Recipient shall allocate Counterpart Funding in its budget throughout the period of implementation of the Program.

**SCHEDULE 3**

**Repayment Schedule**

**CREDIT A**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each January 15 and July 15:	
Commencing January 15, 2035 to and including July 15, 2074	<b>1.25%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03 (b) (originally numbered Section 3.05 (b)) of the General Conditions.

**CREDIT B**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each January 15 and July 15:	
Commencing January 15, 2031 to and including January 15, 2036	<b>8.33334%</b>
on July 15, 2036_____	<b>8.33326%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03 (b) (originally numbered Section 3.05 (b)) of the General Conditions.

## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
2. “Blended Learning Programs” means the programs that combine face-to-face or remote synchronous teaching with autonomous online learning through the existing eLearning system.
3. “BRD” means the Development Bank of Rwanda, a public company limited by shares, incorporated on August 5, 1967, registered at the Recipient's office of the registrar general with company code no. 1000003547.
4. “BRD Education Call Center” means the call center established and functioning in BRD in relation to student loan administration.
5. “BRD Legislation” means the BRD incorporation certificate issued on July 7, 2011 and banking license no. 003, issued by the National Bank of Rwanda on August 11, 2009.
6. “B-tech” or “Bachelor of Technology” means an undergraduate degree program with a major in technology.
7. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
8. “Chief Skills Office, Ministry of Public Service and Labour” or “CSO-MIFOTRA” means the office established in MIFOTRA, responsible for providing effective oversight and coordination in the skills development and employment promotion ecosystem.
9. “Counterpart Funding” means the minimum amount of funds required for the Program to be provided by the Recipient through an allocation to the budget, in the total amount of USD165 million.
10. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement; and “DLIs” mean more than one DLI.

11. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV; and “DLRs mean more than one DLR.
12. “Expert Group” means a group comprising of persons with expertise and relevant qualifications in the areas of general higher education quality assurance and virtual/blended education, polytechnic/TVET quality assurance, accreditation and qualification framework and students financing management, with qualifications satisfactory to the Association.
13. “Fiscal Year” and the acronym “FY” mean each fiscal year of the Recipient, the twelve-month period starting on July 1 and ending on June 30 of the following year.
14. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing”, dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.
15. “HEC” means the Recipient's Higher Education Council, established and operating pursuant to HEC Legislation.
16. “HEC Legislation” means Law No. 20 of 2017 *establishing the Higher Education Council and determining its mission, powers, organization and functioning*, published on the Official Gazette No 20 on May 15, 2017.
17. “Integrated Enterprise Resource Planning” or “ERP” means a software platform connecting various digital applications.
18. “Internal Policies” mean the policies guiding UR day to day operations approved by competent UR management organs, as may be further detailed in the POM.
19. “Labor Market Information system” or “LMIS” means an information mechanism that collects and evaluates information relating to the labor markets.
20. “Management Information System” or “MIS” means a system that gathers data from a range of sources, compile it and present it in a readable format.
21. “Master Plan” means the plan for the construction of the student hostels.
22. “Memorandum of Understanding” or “MoU” means a legal arrangement to be entered into with SDF Grantees pursuant to this Agreement, binding on the parties.

23. “Ministry of Education” or “MINEDUC” means the Recipient’s ministry in charge of education or any successor thereto.
24. “Ministry of Public Service and Labour” or “MIFOTRA” means the ministry responsible for employment or its successor thereto.
25. “MINUZA” means an online student loan management system, developed by BRD, that facilitates student loan and bursary disbursement process, from application to loan repayment.
26. “National Steering Committee” or “NSC” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement, established under the PSG.
27. “NEET” means Not in Education, Employment, or Training.
28. “NSDEPS 2” or “National Skills Development and Employment Promotion Strategy 2” means the five-year strategy plan which outlines a defined skills governance structure and strategic plan.
29. “NSDEPS Ministerial Steering Committee” means the committee with such composition as specified in the POM, responsible for, inter alia, approving the NSDEPS 2.
30. “Prime Ministers Orders” or “PMO” mean the order(s) establishing the special statute governing employees of public institutions of higher learning, and the order determining the functions and powers of UR organs.
31. “Program Agreement” means each of the agreements entered into on or about the signature date of this Agreement, between the Association and each of the Program Implementing Entities; and collectively referred to as “Program Agreements”.
32. “Program Action Plan” means the Recipient’s plan dated August 8, 2024 and referred to in Section I.C.1 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.
33. “Program Implementing Entity” means each of HEC, UR, BRD, RP and RTB responsible for implementing activities under the Program, and collectively referred to as “Program Implementing Entities”.
34. “Program Implementing Entities’ Legislations” means, each of BRD Legislation, HEC Legislation, RP Legislation, UR Legislation and the RTP Legislation.
35. “Program Operations Manual” means the manual referred to in Section I.C.2(a)(i) of Schedule 2 to this Agreement, setting out the details for the implementation of



the Program, including all annexes attached thereto, as may be revised from time to time with prior written agreement of the Association.

36. “Recognition of Prior Learning” or “RPL” means a process that assesses competency, mostly acquired through informal training.
37. “Respective Part of the Program” means, activities to be carried out by each of the Program Implementing Entities, with respect to: (a) HEC, Part 2 of the Program; (b) UR, Part 2 of the Program; (c) RP, Part 2 of the Program; (d) RTP, Part 1 of the Program; (e) BRD, Part 2 of the Program, as detailed in the POM, and respective Subsidiary Agreements and Program Agreements.
38. “Rwanda Development Board” means an institution of government established and operating pursuant to Law No. 057/2023 of 17/11/2023, mandated to accelerate the Recipient’s economic development by enabling private sector growth.
39. “Rwanda Technical and Vocational Education and Training Board” or “RTB” means the board established and operating pursuant to RTB Legislation.
40. “RTB Legislation” means Presidential Order No. 123 of 2020, *establishing the Rwanda Technical and Vocational Education and Training Board*, published in the Official Gazette special on October 15, 2020.
41. “Rwanda Polytechnic Higher Learning Institution” or “RP” means the institution established and operating pursuant to RP Legislation.
42. “Rwanda Qualification Framework” means the framework that sets out the requirement for the awards of institutions of higher education in Rwanda.
43. “RP Legislation” means Law N°22/2017 of 30/05/2017 published in Official Gazette N°23 of 05/06/2017, establishing the Rwanda Polytechnic Higher Learning Institution.
44. “Selected UR and RP Campuses” mean those campuses in UR and RP, as specified in the POM, where construction activities will be carried out.
45. “Sector Skills Council” or “SSC” means the council to bring employers and education providers to work together on solving the skills gap problem in various sector in Rwanda.
46. “SDF Grantees” means companies, cooperatives, associations, trade unions, NGOs and TVET schools eligible to apply for SDF grants through a competitive process.

47. “SDF Operations Manual” means the manual referred in Section I.C.2(a)(ii) of Schedule 2 to this Agreement, setting out the details for the administration of the SDF under the four windows, to be developed by RTB.
48. “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.
49. “Single Program Implementation Unit” or “SPIU” means the unit referred to in Section I.A.1 of Schedule 2 to this Agreement responsible for implementation of the Program in MINEDUC.
50. “Skills Development Fund” or “SDF” means the fund providing youth with employable skills through different ‘windows’.
51. “SMART” means structure that employs digital features.
52. “Subsidiary Agreements” mean collectively the agreements referred to in Section I, part B of Schedule 2 to this Agreement between the Association and the respective Program Implementing Entities; and “Subsidiary Agreement” refers to any one of the Subsidiary Agreements.
53. “TVET” or “Technical and Vocational Education and Training” means aspects of the educational process involving, in addition to general education, the study of technologies and related sciences, and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupants in various sectors of economic and social life.
54. “UR” means the Recipient's University of Rwanda, established and operating pursuant to UR Legislation.
55. “UR Legislation” means Law No. 053/2024 *governing the University of Rwanda*, published on the Official Gazette Special of June 19, 2024.
56. “UR Legal and Regulatory Framework” means the law establishing the University of Rwanda and its related legal instruments.
57. “Virtual Learning Environment” or “VLE” means a platform that provides access to educational content online.
58. “Verification Protocol” means the Recipient’s protocol, detailing the technical standards and arrangements and procedures for the monitoring, reporting and verification of DLRs under the Program.

**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 3.03 (Service Charge) and Section 3.04 (Interest Charge) are deleted in their entirety and the remaining Sections in Article III are renumbered accordingly, and all references to the Sections of Article III in any provision of the General Conditions are understood to be to such renumbered Sections.
2. Paragraph 65 (Interest Charge) in the Appendix is modified to read as follows:  
  
“65. “Interest Charge” means the interest charge for the purpose of Section 3.07.
3. Paragraph 99 (Service Charge) in the Appendix is deleted in its entirety and the subsequent paragraphs are renumbered accordingly, and any reference to “Service Charge” or “Service Charges” in any provision of the General Conditions is deleted.