



Date: 20-Sep-2023

H.E. Dr. Uzziel Ndagijimana
Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning
B.P. 158, Kigali
Republic of Rwanda

**Re: Republic of Rwanda - IDA Credit No. 6043-RW
(Lake Victoria Transport Program – Rwanda Project)
Amendment No. 2 to the Financing Agreement**

Honorable Minister:

We refer to the Financing Agreement (“Financing Agreement”) between the Republic of Rwanda (the “Recipient”) and the International Development Association (the “Association”) dated June 5, 2017, as amended (the “Financing Agreement”) regarding the Lake Victoria Transport Program (“Project”). We also refer to your letters dated September 15, 2022, December 22, 2022 and August 3, 2023 requesting specific amendments to the Financing Agreement. Please note that the capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Financing Agreement.

We are pleased to inform you that the Association agrees to amend the Financing Agreement with respect to the provisions below.

1. Part A of Schedule 1 to the Financing Agreement is amended to read as follows:

“Part A. Improving the Physical Infrastructure

Improving the physical infrastructure along the Ngoma-Nyanza road, in particular:

1. Carrying out the improvement of the primary road infrastructure, including upgrading about 66.55 kilometers along Kibugabuga-Shinga-Gasoro road section under design, build and maintenance (“DBM”) contracting, and improvement of the drainage structures and related infrastructure.
2. Implementing the Resettlement Action Plan (“RAP”) along the Kibugabuga-Shinga-Gasoro road section.
3. Providing support to social infrastructure activities in the Nyanza District to include:
(i) construction or rehabilitation of conservatories, dryers, cold storage facilities;
(ii) awareness campaign towards local communities on the planned facilities and their use;
and (iii) training in the use of equipment (conservatories, dryers, and cold storage facilities).”

2. Part B of Schedule 1 to the Financing Agreement is amended to read as follows:

“Part B. Improving Institutional Infrastructure and Implementation Assistance

Strengthening and harmonizing the institutional framework, and capacity building, in particular:

1. Monitoring the DBM for Kibugabuga-Shinga-Gasoro road section, through the provision of technical advisory services to the Project Implementing Entity to carry out: (a) the review and approval of design reports prepared by the contractor; (b) implementation of the ESIA, the RAP and a safe system approach along the road corridor; and (c) an assessment of the post-crash response system.

2. Strengthening the capacity of the Project Implementing Entity and MININFRA, through the provision of technical advisory services to: (a) facilitate the Single Project Implementation Unit (SPIU) for implementation of the Program and follow-on operations; (b) review and update the axle load enforcement; (c) provision of training to build the respective institution's capacity in environmental and social safeguards, including on gender and related risks; (d) carry out baseline surveys and monitoring and evaluation of Project activities; (e) strengthening the technical and fiduciary systems of the Project Implementing Entity; (f) carry out technical and safeguards audits; and (g) developing a National Transport Master Plan.”

3. Providing support on road asset management and road safety development as follows:

(a) **Axle Load Enforcement Program.** Provide support in the acquisition and installation of three weighbridges on the corridor under construction by providing technical assistance as follows: (i) review the existing weighbridge system and define the characteristic of weighbridges to be acquired; (ii) support in the procurement process; (iii) acquisition and installation of three (3) weighbridges; and (iv) training in the use and operation of equipment.

(b) **International Road Assessment Program (iRAP) survey.** Consulting firm to carry out a survey to assess the safety performance of classified roads in Rwanda and measure the benefits of improvements made on infrastructures. A firm will be recruited to collect data on the road corridor, analyze and issue a report on Rwanda national road safety assessment and measures to be implemented to further improve road safety.”

3. Part C of Schedule 1 is added to Schedule 1 to the Financing Agreement to read as follows:

“Part C. Contingent Emergency Response Component (CERC)

Provision of immediate response to an Eligible Emergency as needed.”

4. Section 1.H (Contingent Emergency Response) is added to Schedule 2 to the Financing Agreement and shall read in its entirety as follows:

“H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 6 of the Project (“Emergency Response Part”), the Recipient shall:

(a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Manual (“CER Manual”) which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social risks management arrangements and instruments the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed CER Manual;

(c) promptly adopt the CER Manual for the Emergency Response Part as accepted by the Association and integrate it as an annex to the Project Operational Manual;

(d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without the prior written approval by the Association.

2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all environmental and social instruments as may be required for said activities in accordance with the CER

Manual, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.”

5. Paragraph 1 of Section 1.A. Institutional Arrangements under the Project Description in Schedule 2 to the Financing Agreement is deleted in its entirety and the subsequent paragraphs are renumbered accordingly.

6. Section IV.B of Schedule 2 to the Financing Agreement is deleted in its entirety and replaced with the following:

“B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part, A of this Section, no withdrawal shall be made:

(a) from the Credit Account until the Association has received payment in full of the Front-end Fee; or

(b) for payments made prior to the date of this Agreement; and

(c) for Emergency Expenditures under Category (3), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof.

(ii) the Recipient has ensured that all environmental and social instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F of this Schedule.

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.H(2) of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the CER Manual, in form and substance acceptable to the Association, and the provisions of the CER Manual remain or have been updated in accordance with the provisions of Section I.H of this Schedule so as to be appropriate for the inclusion and implementation of the Emergency Response Part.

2. The Closing date is December 31, 2025.”

7. The Appendix to the Financing Agreement is amended to add the following definitions and consequently renumber the existing definitions to keep the alphabetical order:

“Contingent Emergency Response Manual” and the acronym “CER Manual” means the manual referred to in Section I.H.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part and ports part of the Operational Manual in accordance with the provision of said Section.”

“Eligible Crisis or Emergency” means an event that has caused or is likely to imminently cause a major adverse economic and/or social impart to the Recipient associated with a natural or man-made crisis or disaster.”

“Emergency Expenditure means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I. H. paragraph 1(a) of Schedule 2 to this Financing Agreement and required for the Emergency Response Part.”

“Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part C of the Project.

“Resettlement Costs” means the expenditures incurred by the Recipient on account of implementation of the Resettlement Action Plan, and which consist of the costs to finance expenditures cash payments for compensation or other cash payments for assistance due to a Project Affected Person or for the cost of land acquisition related to the activities to be carried out under Part A.2 of the Project, and which Resettlement Costs are hereby deemed an Eligible Expenditure for purposes of Section 2.05 of the General Conditions, as approved by the Association on August 8, 2023.

All other provisions of the Financing Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient, by signing this Amendment letter. This Amendment letter shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Sahr Kpundeh
Sahr Kpundeh
Rwanda Country Manager

AGREED:

REPUBLIC OF RWANDA

By: Honorable Dr. Uzziel Ndagijimana
Honorable Dr. Uzziel Ndagijimana
Minister of Finance and Economic Planning

Date: 02-Oct-2023

Category	Amount of the Credit Allocated (Expressed in EUR)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
1. Goods, works, non-consulting services, consultants' services, and Training under the Project	72,900,000	100%
2. Resettlement Costs under Part A.2 of the Project	3,000,000	100%
3. Contingent Emergency Expenditures under Part C of the Project	0	100%
TOTAL AMOUNT	75,900,000	