



**CREDIT NUMBER 7206-RW**

# **Project Agreement**

**(Social Protection Transformation Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**LOCAL ADMINISTRATIVE ENTITIES DEVELOPMENT AGENCY**



## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and LOCAL ADMINISTRATIVE ENTITIES DEVELOPMENT AGENCY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the Republic of Rwanda (“Recipient”) and the Association, concerning Credit No. 7206-RW. The Association and the Project Implementing Entity hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts 1, 2, 3.2 and 4.2 of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services, and other resources required for its Respective Part of the Project.

### **ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its Director General.
- 4.02. For purposes of Section 11.01 of the General Conditions:
  - (a) the Association’s address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America; and

(b) the Association's Electronic Address is:

Telex: 248423(MCI) or Facsimile: (+1) 202 477 6391

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

(a) the Project Implementing Entity's address is:

35 KG7 Avenue  
P.O Box 7305, Kigali  
Gasabo District  
City of Kigali, Rwanda; and

(b) the Project Implementing Entity's Electronic Address is:

E-mail: [info@loda.gov.rw](mailto:info@loda.gov.rw)

AGREED as of the later of the two dates written below.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Rolande Pryce*

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

**Name:** Rolande Pryce

**Title:** Country Manager

**Date:** 30-Sep-2022

**LOCAL ADMINISTRATIVE ENTITIES DEVELOPMENT AGENCY**

**By**

*Claudine Nyinawagaga*

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

**Name:** Claudine Nyinawagaga

**Title:** Director General/ LODA

**Date:** 30-Sep-2022

## SCHEDULE

### Execution of the Project Implementing Entity's Respective Part of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### LODA-Single Project Implementation Unit

1. The Project Implementing Entity shall: (a) maintain the Single Project Implementation Unit (LODA-SPIU) throughout Project implementation, and no later than three (3) months after the Effective Date, appoint or recruit (as applicable) to the LODA-SPIU the following additional staff to carry out the Project: a communications and outreach specialist, a community/homebased early childhood education specialist, an MEIS software developer consultant, an MEIS business analyst consultant, a procurement specialist, a financial management specialist and such other specialists as may be agreed with the Association, all under terms of reference and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the LODA-SPIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Implementation Manual, agreed with the Association.
2. The LODA-SPIU shall be responsible for day-to-day management and implementation of Parts 1, 2, 3.2, and 4.2 of the Project, including financial management, procurement, environmental and social risks management, and monitoring and evaluation.

##### B. Project Implementation Manual

1. The Project Implementing Entity shall comply with the Project Implementation Manual ("Project Implementation Manual" or "PIM") as prepared and adopted by the Recipient and by the Project Implementing Entity, containing, *inter alia*, detailed arrangements and procedures for the Project including: (a) implementation arrangements; (b) administrative aspects; (c) procurement; (d) environmental and social risks management; (e) annual work plans and budgets and financial management and accounting; (f) monitoring and evaluation; (g) codes of conduct, citizen engagement and grievance resolution mechanisms; and (h) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation of the Project.
2. The Project Implementing Entity: (a) shall ensure that the Project is carried out in accordance with the PIM; and (b) shall not assign, amend, abrogate, or waive, or

permit to be assigned, amended, abrogated, or waived, the PIM or any provision thereof, without the prior written agreement of the Association.

3. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM, and those of this Agreement, the provisions of this Agreement shall prevail.

**C. VUP Operations Manual (VUP-OM):**

1. The Project Implementing Entity shall carry out the Project in accordance with the VUP-OM, and in a manner satisfactory to the Association. The VUP-OM shall contain detailed guidelines, methods and procedures for the implementation of the Part 1 of the Project, including *inter alia*: (a) beneficiary eligibility and selection process; (b) beneficiary enrollment in VUP; (c) amounts of cash transfers and other benefits; (d) monitoring and evaluation; (e) process for management of grievances under the Citizen Monitoring System; (f) the NSDS Guidelines; (g) the DS Guidelines; and (h) such other arrangements and procedures as shall be required for the effective implementation of the Project. Except as the Association shall otherwise agree in writing, permit to be amended or waived any provision of the VUP-OM.
2. In case of conflict between the provisions of the VUP-OM and this Agreement, those of this Agreement shall prevail.

**D. Sustainable Livelihoods Enhancement and Para-Social Workers Guidelines (SLE&PSW Guidelines)**

1. The Project Implementing Entity shall carry out Part 2.1 of the Project in accordance with the SLE&PSW guidelines, and in a manner satisfactory to the Association. The SLE&PSW shall contain detailed guidelines, methods and procedures for the implementation of the Part 2.1 of the Project, including: (a) SLE beneficiary eligibility and selection process; (b) beneficiary enrollment in SLE; (c) identification and delivery of the package of SLE benefits and services; (d) financial management; (e) engagement of service providers including Para-Social Workers; (f) monitoring and evaluation; (g) management of grievances; (h) process for initial implementation, evaluation and scale up of activities under Part 2.1 of the Project; and (i) such other arrangements and procedures as shall be required for the effective implementation of the Project. Except as the Association shall otherwise agree in writing, permit to be amended or waived any provision of the SLE&PSW Guidelines.
2. In case of conflict between the provisions of the SLE&PSW Guidelines and this Agreement, those of this Agreement shall prevail.

**E. Annual Work Plan and Budget**

1. The Project Implementing Entity shall, not later than May 22 of each year, (beginning in calendar year 2023), prepare and furnish to the Recipient for consolidation, its Annual Work Plan and Budget containing all activities and corresponding budget proposed to be included in its Respective Parts of Project.
2. The Project Implementing Entity shall afford the Association a reasonable opportunity to exchange views with the Association on such proposed Annual Work Plan and Budget and thereafter ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Association.
3. The Project Implementing Entity shall not make or allow to be made any changes to the approved Annual Work Plan and Budget without prior approval in writing by the Association.
4. Without limitation on the provisions of paragraph (a) of this Section E, the Project Implementing Entity shall prepare and furnish to the Recipient to consolidate, its first proposed Annual Work Plan and Budget not later than thirty (30) days after the Effective Date, which shall cover the period between Effective Date and June 30, 2023.

**F. Districts Agreements**

1. The Project Implementing Entity shall sign a district agreement with each District, on terms and conditions approved by the Association, which shall include the obligation of the District to:
  - (a) implement the activities under Parts 1 and 2 of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds, other than the Recipient, environmental and social risks instruments, and in accordance with the provisions of this Agreement;
  - (b) (i) procure all goods, works and services required under said Parts 1 and 2 of the Project and to be financed out of the proceeds of the Financing in accordance with the General Conditions; and (ii) ensure that all such goods, works and services are used exclusively for the purposes of said Parts 1 and 2;

- (c) ensure that all facilities relevant to said Parts 1 and 2 shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;
- (d) with respect to records management: (i) maintain records adequate to record the progress of said Parts 1 and 2 of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Financing and disclose their use in said parts; (ii) furnish such records and information as may be requested by the Project Implementing Entity or the Association; and (iii) retain all records evidencing expenditures under said Parts of the Project for the period of time specified in the General Conditions;
- (e) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient, Project Implementing Entity and the Association, the progress of said Parts 1 and 2 of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient, Project Implementing Entity and the Association, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Parts 1 and 2 of the Project and to achieve its objective, each such report to cover a calendar semester; (iii) furnish each such report to the Project Implementing Entity and/or the Association within thirty (30) days after the end of such period; and (iv) prepare, and furnish to the Project Implementing Entity a final report, of such scope and in such detail as the Project Implementing Entity and the Association shall reasonably request, on the execution of said Parts 1 and 2 of the Project, and furnish the same to the Recipient and the Association not later than (4) months after the Closing Date;
- (f) with respect to financial management: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to said Parts 1 and 2 of the Project; (ii) avail the records pertaining to said parts to external and internal auditors; (iii) prepare interim financial reports covering each quarter, and furnish them to the Recipient and the Association not later than forty-five (45) days after the end of the period covered by such reports, and provide such other information concerning such financial statements as the Project Implementing Entity, the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by



independent auditors and applying standards both acceptable to the Association at least once in each fiscal year; and

- (g) enable the Project Implementing Entity, the Recipient, and the Association to inspect the Parts 1 and 2 of the Project, their operations and any relevant records and documents.

- 2. The Project Implementing Entity shall exercise its rights under each District Agreement 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 Project Implementing Entity shall not assign, amend, abrogate, or waive any District Agreement or any of its provisions.

**G. Environmental and Social Standards.**

- 1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
- 2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Project Implementing Entity shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Project Implementing Entity shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and

budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.

4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Project Implementing Entity shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the 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 ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project 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 ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
6. The Project Implementing Entity shall establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, 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.
7. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of 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.

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

**A. Project Reports.**

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester and shall be furnished to the Recipient not later than forty (40) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.