

Date: 27-Jan-2021

Honorable Uzziel Ndagijimana
Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning
Kigali
Rwanda

Re: Republic of Rwanda: Advance Agreement for Preparation of
Proposed Rwanda Digital Acceleration Project
Project Preparation Advance No. IDA V3580-RW

Honorable Minister:

In response to the request for financial assistance made on behalf of the Republic of Rwanda (“Recipient”), I am pleased to inform you that the International Development Association (“IDA” or “World Bank”) proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed four million one hundred forty-seven thousand three hundred forty Dollars (\$4,147,340) (“Advance”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in financing the activities described in the Annex (“Activities”). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase access to and improve quality of broadband, digital public services, and the digital innovation ecosystem to build a resilient and inclusive digital economy (“Project”), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of the International Bank for Reconstruction and Development (IBRD) or IDA to assist in financing the Project; and (b) any actions, authorisations or approvals required by the Recipient to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement shall be obtained by the Recipient prior to commencement of disbursement of the Advance, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 6.02 of the Annex to this Agreement that

the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 6.01 of the Annex to this Agreement has been satisfied.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By *Rolande Pryce*
Rolande Pryce
Country Manager for Rwanda
Eastern & Southern Africa Region

AGREED:
REPUBLIC OF RWANDA

By *Uzziel Ndagijimana*
Authorized Representative

Name Uzziel Ndagijimana

Title Minister of Finance and Economic Planning

Date 27-Jan-2021

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017.

**PPA No. IDA V3580-RW
ANNEX**

**Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement; and the following additional terms shall have the following meanings:

- (a) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Activities, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
- (b) “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the World Bank.
- (c) “Implementing Entity” means Rwanda Information Society Authority (RISA).
- (d) “MINICT” means Recipient’s Ministry of ICT and Innovation, or any successor thereto.
- (e) “Rwanda Information Society Authority” or “RISA” means a government institution established in 2017, governed by law No. 02/2017 of 18/02/2017, with the mandate to digitize government services and ensure easy access by the citizens.

- (f) “RISA-SPIU” means the special Project implementation unit to be established under RISA.
- (g) “Operating Costs” means the incremental operating expenses incurred on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment, office supplies, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
- (h) “Subsidiary Agreement” means the agreement referred to in Section 2.03 (c) of this Annex, pursuant to which the Recipient shall make the proceeds of the Advance available to the Implementing Entity.
- (i) “Training” means the reasonable costs associated with training, study tours, seminars and workshops (other than for consultants’ services), including:
 - (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.

Article II

Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

- (a) Providing support in setting up and operationalizing the RISA-SIPU, including hiring of key staff.
- (b) Carrying out studies for Project preparation and readiness including *inter alia*:
 - (i) technical studies to support the Project design; and (ii) technical and analytical studies to prepare the key Project documents.
- (c) Providing support in preparation of the environmental and social framework instruments.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall cause the Activities to be carried out by the Implementing Entity in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.

2.03. **Institutional and Other Arrangements.** Without limitation upon the provisions of Section 2.02 above:

- (a) The Recipient shall, throughout the Refinancing Date, cause the Implementing Entity to maintain a structure, functions and responsibilities acceptable to the World Bank, with competent staff, in adequate numbers, with qualification and experience satisfactory to the World

Bank, to be responsible for the overall implementation, procurement and fiduciary aspects of the Activities.

(b) If, before the Refinancing Date, the RISA-SPIU has been set up with staffing, functions and resources satisfactory to the World Bank, the overall implementation of the Activities, including financial management and procurement, shall be transferred to the RISA-SPIU.

(c) The Recipient shall make the proceeds of the Advance available to the Implementing Entity on a grant basis under a subsidiary agreement between the Recipient and the Implementing Entity, in accordance with terms and conditions approved by the World Bank (“Subsidiary Agreement”), including terms whereby the Implementing Entity shall be required to: (i) carry out the Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods and services to be financed out of the Advance in accordance with the provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Activities and the achievement of their objectives; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Activities; and (B) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (vi) enable the Recipient and the World Bank to inspect the Activities, their operation and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(d) Notwithstanding the foregoing, in the event of a conflict among the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

2.04. *Environmental and Social Standards.*

(a) The Recipient shall, and shall cause the Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the World Bank.

(b) Without limitation upon paragraph (a) above, the Recipient shall, and shall cause the Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the World Bank. To this end, the Recipient shall, and shall cause the Implementing Entity to, ensure that:

(i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

(ii) sufficient funds are available to cover the costs of implementing the ESCP;

- (iii) 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
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the World Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall, and shall cause the Implementing Entity to, ensure that:
- (i) all measures necessary are taken to collect, compile, and furnish to the World Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the World Bank, 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 World Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) the World Bank 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.
- (e) The Recipient shall, and shall cause the Implementing Entity to, 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 World Bank.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five days (45) after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement.** All goods and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 ("Procurement Regulations") and the provisions of the Recipient's procurement plan for the Activities dated November 4, 2020 ("Procurement Plan") provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III Withdrawal of the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, consultants' services, Operating Cost and Training under the Activities	4,147,340	100%
TOTAL AMOUNT	4,147,340	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is September 30, 2021.

Article IV Terms of the Advance

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then:

- (i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and
- (ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V
Additional Remedies

5.01. ***Additional Events of Suspension.*** The Additional Event of Suspension consists of the following, namely, the Decree pursuant to which the Implementing Entity has been established and operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Implementing Entity to perform any of its obligations under this Agreement.

Article VI
Effectiveness; Termination

6.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition, namely, the Subsidiary Agreement has been executed on behalf of the Recipient and the Implementing Entity.

6.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 6.01 of this Annex (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

6.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VII
Recipient’s Representative; Addresses

7.01. ***Recipient’s Representative.*** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is the Recipient’s minister responsible for finance.

7.02. ***Recipient’s Address.*** The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

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

Tel:
+250 25 257 7581

Fax:
+250 25 257 5756

E-mail:
mfin@minecofin.gov.rw

7.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391