
CREDIT NUMBER 6926-RW
CREDIT NUMBER 6927-RW
GRANT NUMBER D852-RW

Project Agreement

Access to Finance for Recovery and Resilience Project

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

DEVELOPMENT BANK OF RWANDA

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and DEVELOPMENT BANK OF RWANDA (“BRD”) (“Project Agreement”) in connection with the Financing Agreement (“Concessional IDA Financing Agreement”) of the Signature Date between the REPUBLIC OF RWANDA (“Recipient) and the Association, concerning Credit No. 6927-RW and Grant No. D852-RW and the SUF Financing Agreement (“SUF Financing Agreement”) of the Signature Date between the REPUBLIC OF RWANDA (“Recipient) and the Association, concerning Credit No.6926-RW (together the “Financing Agreements”). 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 Agreements) 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 Agreements or the General Conditions.

ARTICLE II — PROJECT

- 2.01. BRD its commitment to the objectives of the Project. To this end, the BRD shall carry out Parts 1.2, 1.3, 3.1(ii), 3.2 (i) and 3.3(i) 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 Chief Executive Officer.
- 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:

Development Bank of Rwanda
KN 3 (former Boulevard de la Revolution)
P.O. Box1341
Kigali-Rwanda; and

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

Telex:	Email
+250 25 257 5079	brd@brd.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: 22-Jun-2021

DEVELOPMENT BANK OF RWANDA

By

Kampeta Sayinzoga

Authorized Representative

Name: Kampeta Sayinzoga

Title: Chief Executive Officer

Date: 08-Jul-2021

SCHEDULE

Execution of BRD's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The BRD shall be responsible for implementation of Parts 1.2, 1.3, 3.1(ii), 3.2 (i) and 3.3(i) of the Project in accordance with the provisions of this Agreement.
2. BRD shall maintain throughout Project implementation a Special Project Implementation Unit (SPIU) with adequate resources and facilitation, key staff holding such qualifications and under terms of reference acceptable to the Association. The SPIU shall be headed by an SPIU coordinator and at the minimum be staffed with a procurement specialist, a financial management specialist, an environmental specialist and social specialist.
3. Without limitation upon the provisions of paragraphs (1) and (2) above, BRD shall, recruit or appoint (as appropriate) to the SPIU: (a) a Project coordinator; (b) two investment officers; (c) a procurement specialist; (d) financial management specialist; (e) an environmental specialist; (f) a social specialist; (g) a Project accountant; and (h) a grievance redress officer with such qualifications and under terms of reference acceptable to the Association, and in accordance with the provisions of the Procurement Regulations.
4. Without limitation upon the provisions of paragraph (3) above, BRD shall, within six (6) months of the Effective Date, recruit or appoint to the SPIU a grievance redress officer with such qualifications and under terms of reference acceptable to the Association, and in accordance with the provisions of the Procurement Regulations.

B. Participating Agreements

1. In order to implement Parts 1.2 and 1.3, of the Project, BRD shall: (a) select the respective PFIs in accordance with the eligibility criterion set forth in the PIM and including a minimum requirement that each PFI: (i) is in full compliance with the Recipient's relevant laws, as applicable; and (ii) has satisfactory staff capacity and managerial autonomy to carry out its role in the Project; and (b) enter into Participating Agreements with Participating Financial Institutions ("Participating Agreements"), as the case may be, under the terms and conditions set forth in the PIMs and eligibility criteria and procedures acceptable to the Association, and to monitor compliance by each PFI with the terms and conditions of each, Participating Agreement.
2. BRD shall exercise its rights under its respective Participating Agreements in such manner as to protect its interests and the interests of the Association in order to accomplish the purposes of the Financing. BRD shall not assign, amend, abrogate or waive the Participating Agreements without the prior written approval of the Association.

C. Sub-projects.

The Recipient shall cause BRD to ensure that each PFI:

1. Selects eligible MSMEs, eligible Beneficiaries or eligible Enterprises (as applicable) which:
 - (a) comply with the eligibility criteria set forth in the Project Implementational Manual, including that the eligible MSMEs, eligible Beneficiaries or eligible Enterprises, as applicable, shall have an ownership, management and financial structure consistent with the laws and regulations of the Recipient; and
 - (b) are not in litigation or on a list of companies declared ineligible by the Association to participate in Association-financed projects.
2. Screens and selects Sub-projects in accordance with the selection and eligibility criterion set forth in the PIM. The following Sub-projects shall not be eligible for financing, as further set forth in the Project Implementational Manual:
 - (a) any Sub-projects involving non-eligible expenditures (as such term is defined in the Project Implementational Manual);
 - (b) any Sub-projects affecting international waterways, natural habitats, disputed areas or indigenous people;
 - (c) any Sub-projects involving the conversion or degradation of forest areas;
 - (d) any Sub-projects involving the involuntary taking of land or involuntary resettlement resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas;
 - (e) any Sub-projects involving the construction or rehabilitation of dams;
 - (f) any Sub-projects that finance Excluded Expenditures, as set forth in Schedule 5 of the Financing Agreements.

D. Sub-Loan Agreements

For the purposes of carrying out Sub-projects under Part 1.2 and 1.3 of the Project, BRD shall ensure that each PFI enters into a Sub-loan Agreement with each eligible Beneficiary, eligible MSME or eligible Enterprise (as applicable) on terms and conditions set forth in the Project Implementational Manual and eligibility criteria and procedures acceptable to the Association.

E. Environmental and Social Standards.

1. BRD 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, BRD 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 Recipient shall, and shall cause BRD to: (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. BRD 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. BRD 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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. BRD 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 quarter and shall be furnished to the Recipient not later than forty five (45) 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. BRD shall provide to the Recipient not later than thirty (30) days, 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.