
**CREDIT NUMBER 6789-RW
GRANT NUMBER D737-RW**

Financing Agreement

Second Rwanda Urban Development Project

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6789-RW
GRANT NUMBER D737-RW

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF RWANDA (the “Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the “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 a grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to fifty-two million nine hundred thousand Special Drawing Rights (SDR 52,900,000) (“Grant”); and
 - (b) an amount equivalent to seven billion nine hundred forty-four million four hundred thousand Japanese Yen (JPY 7,944,400,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 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 Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are June 1 and December 1 in each year.

- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency for the Credit is Yen and Dollar for the Grant.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall, carry out Parts 1(a) and 3(b)(v) of the Project through the City of Kigali (CoK), Parts 3(a) and 3(b)(i) through MININFRA, Parts 2(a) and 3(b)(ii) through the Target Secondary Cities and cause Parts 1(b) and 3(b)(iv) the Project to be carried out by REMA and cause Parts 2(b) and 3(b)(ii) to be carried out by LODA, in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreements.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following, that:
 - (a) the Subsidiary Agreements as referred to in Section I.B of Schedule 2 to this Agreement, have been executed in form and substance satisfactory to the Association; and
 - (b) the Recipient has prepared and adopted a Project Implementation Manual (“PIM”), as referred to in Section I.C of Schedule 2 to this Agreement, in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is the Recipient’s minister responsible for finance.
- 5.02. 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:

Telephone:	Fax:	E-mail:
+250 25 257 7581	+250 25 257 5756	mfin@minecofin.gov.rw

- 5.03. 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:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	rwandainfo@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF RWANDA

By

Uzziel Ndagijimana

Authorized Representative

Name: Uzziel Ndagijimana

Title: Minister of Finance and Economic Planning

Date: 12-Nov-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Rolande Pryce

Authorized Representative

Name: Rolande Pryce

Title: Country Manager

Date: 06-Nov-2020

SCHEDULE 1

Project Description

The objective of the Project is to improve access to basic services, enhance resilience and strengthen integrated urban planning and management in the City of Kigali and the six secondary cities of Rwanda.

The Project consists of the following parts:

Part 1: Support to the City of Kigali (CoK).

- (a) **Integrated urban planning for resilient, inclusive infrastructure delivery, through financing and support for:**
 - (i) urban upgrading through an integrated package of investments, including detailed designs, construction supervision and preparation of environmental and social instruments, in select unplanned settlements (including Nyarugenge, Kicukiro and Gasabo districts). The urban upgrading will comprise a comprehensive menu of infrastructure investments including, access streets, street lighting, stormwater drainage, green infrastructure, solid waste collection points, onsite sanitation, water supply, community facilities, local market improvements, multi-purpose facilities and public spaces;
 - (ii) flood risk reduction infrastructure in flood-prone areas located near the upgrading including the rehabilitation of culverts, bridges, channels, and drains, as well as implementation of suitable nature-based solutions (NBS) sites;
 - (iii) technical assistance for development and preparation of a stormwater management master plan (SWMMP) for the CoK and for water level monitoring;
 - (iv) installation of rainfall sensors and hydrological stations with water level and discharge monitoring in the urban area and wetlands of Kigali and its immediate surroundings;
 - (v) technical assistance for implementation of the Kigali Master Plan 2050 including, support for the development of detailed area plans for select unplanned settlements and a feasibility study to assess the feasibility of implementing sites and services; and
 - (vi) institutional capacity development of CoK to strengthen its economic and spatial planning for resilient infrastructure and

service provision in view of optimal allocation of spaces and resources, including through, support for urban management specialists, consultants to assist in training and mentoring, to develop systems and procedures, and to undertake other activities aimed at strengthening urban management functions, Trainings, and financing for equipment and tools needed to undertake urban management and urban development activities.

(b) Evidence-based, sustainable wetland management, flood risk management and greenhouse gas monitoring, *through financing and support for:*

- (i) design, implementation and monitoring of NBS to reduce flood risks, enhance biodiversity, and strengthen resilience of the CoK through rehabilitation of wetlands impacted by historical land-uses, such as industrial use and urbanization (such wetlands to include Gikondo, Kibumba, Rugenge, Rwintare and Nyabugogo wetlands). Wetland rehabilitation will also include support for basic infrastructure for hospitality, tourism and recreation;
- (ii) technical assistance to: (A) explore opportunities for partnerships with the private sector to invest in the rehabilitation of the wetlands and their buffer zones, including the design and piloting of innovative financing and impact-driven financing instruments to support the implementation of urban planning solutions that center biodiversity, ecosystem services and climate adaptation and mitigation; and (B) support the CoK to develop a framework for Greenhouse Gas (GHG) accounting;
- (iii) development of a detailed city-wide digital terrain model (DTM) using an aerial Light Detection and Ranging (LiDAR) and photogrammetric survey; and
- (iv) advocacy, knowledge exchange and partnerships on sustainable urbanization.

Part 2: Support to Secondary Cities

(a) Infrastructure and service delivery in secondary cities, *through financing and support for:*

- (i) infrastructure development including roads, drainage, pedestrian walkways and streetlighting in the Target Secondary Cities (TSCs);

- (ii) comprehensive upgrading in unplanned settlements prioritized by the TSCs including provision of offsite infrastructure such as drainage and roads; and
 - (iii) technical assistance for feasibility studies, planning, design and supervision for infrastructure development and upgrading in unplanned settlements.
- (b) **Institutional and capacity development of secondary cities, through financing and support for the establishment and functioning of City Management Offices (CMOs) through:**
- (i) development of a roadmap for CMO development outlining the key urban functions to be carried out by CMOs;
 - (ii) preparation of medium-term (five-year) and annual Institutional and Capacity Development (ICD) plans for urban management; and
 - (iii) implementation of the Master Plans for the respective Target Secondary City (TSC) focused on the development of detailed area plans for selected unplanned settlements in each TSC.

Part 3: Institutional Capacity Development and Project Management

- (a) **Institutional capacity development at national level, through financing and support for technical assistance for:**
- (i) development of a national urbanization strategy, through support for: (A) review of the National Urbanization Policy (NUP) and development of its implementation strategy and action plan; and (B) establishment of an urbanization monitoring information system (UMIS);
 - (ii) development of a comprehensive housing strategy to strengthen the National Housing Policy and build on and expand investments in urban upgrading and sites and services;
 - (iii) development a strategy for implementing sites and services schemes in Rwanda including, estimating the capacity and appetite for land value capture in plot servicing; and
 - (iv) implementation of a national solid waste management strategy through the development of feasibility studies on disposal facilities in the TSCs and the dissemination of knowledge generated from city to city in the Republic of Rwanda.

- (b) **Project management**, *through financing and support to:* (i) MININFRA PCU; (ii) LODA-SPIU; (iii) the Target Secondary Cities PIUs; (iv) REMA-SPIU; and (v) CoK-KUUT, for financial management and procurement; environmental and social risks management, implementation supervision, contract management, monitoring and evaluation, communication and citizen engagement and staffing within the respective project coordinating unit, project implementing units and urban upgrading team.

Part 4: Contingency Emergency Response:

Providing immediate response to an Eligible Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall designate and charge the MININFRA with overall responsibility for Project coordination and implementation.

2. MININFRA Project Coordinating Unit

(a) The Recipient shall maintain throughout Project implementation the Project Coordinating Unit (PCU) in MININFRA with resources and composed of key staff, with qualifications, experience and under terms of reference acceptable to the Association, including: (i) a Project coordinator (who shall report to and act under the direction of the Urbanization, Human Settlement and Housing Development Director General); (ii) monitoring and evaluation specialist; (iii) financial management specialist; (iv) Procurement specialist; (v) an environmental and social risks management specialist; and (vi) such other specialists performing such functions as may be further detailed in the Project Implementation Manual (PIM).

(b) The PCU shall be responsible for: (i) overall day-to-day coordination and management, including direct support to the implementing agencies; (ii) project management and implementation of activities under Part 3(a) and 3(b)(i); (iii) overall project monitoring and evaluation; (iv) progress reporting on a quarterly basis; (v) the PCU environmental and social risks management specialist shall be responsible for coordinating reporting on environmental and social issues from the various implementing entities under the Project; (vi) coordination among the environmental and social specialists coordinating the preparations of the relevant environmental and social instruments with the procurement teams preparing the tender documents; (vii) preparation of a comprehensive monitoring and evaluation report which includes updates of national level activities across all implementation entities/agencies; and (viii) such other functions as may be detailed in the PIM.

3. National Steering Committee

(a) The Recipient shall within thirty (30) days after the Effective Date establish and maintain throughout Project implementation the National Steering Committee (“NSC”).

- (b) The NSC shall be comprised of the Minister of State in charge of National Treasury in MINECOFIN, Permanent Secretaries of MININFRA, MINALOC, MoE and MINEMA, the Director Generals of RWB, LODA, and REMA, the City Manager of CoK, or and including such other persons as may be agreed between the Recipient and the Association and further detailed in the PIM.
- (c) The NSC shall be responsible for: (i) providing overall strategic guidance and oversight to the Project, including policy and strategic issues related to urbanization; (ii) reviewing and approving annual work plans; (iii) provide high-level project oversight and policy coordination, including addressing any inter-governmental issues that may need to be resolved at government level; and (iv) such other functions as may be further detailed in the PIM.
- (d) The NSC shall meet at least semi-annually or more often as warranted to ensure timely implementation of the Project.

4. **Project Technical Committee**

- (a) The Recipient shall within thirty (30) days after the Effective Date establish and maintain throughout Project implementation a Project Technical Committee (“PTC”). The Recipient shall take all measures required on its behalf to ensure proper functioning of the PTC during implementation of the Project. The PTC shall be comprised of the project coordinators at the MININFRA PCU, LODA-SPIU, CoK-KUUT and the REMA-SPIU, Project focal persons in RWB, MINEMA, RTDA, RHA, RRA, WASAC and Meteo Rwanda, and such other persons as may be agreed between the Recipient and the Association and detailed in the PIM.
- (b) The PTC shall report to the NSC, and shall be responsible for: (i) providing, through the implementing entities under the Project, technical advisory support to Project contractors and consultants; (ii) reviewing implementation progress; (iii) preparation of a monitoring and evaluation capacity building plan; and (iv) such other functions as may be further detailed in the PIM.
- (c) The Recipient shall and shall cause to be designated Project focal persons at RWB, MINEMA, RTDA, RHA, RRA, WASAC and Meteo Rwanda who shall provide technical and advisory support to facilitate implementation of the Project.
- (d) The PTC shall meet at least once every calendar quarter or more often as warranted to ensure timely implementation of the Project.

5. **REMA Single Project Implementation Unit**

- (a) The Recipient shall cause REMA to maintain, throughout Project implementation, the REMA Single Project Implementation Unit (REMA-SPIU) with adequate resources and facilitation and composed of key staff, with qualifications, experience and under terms of reference acceptable to the Association, including: (i) a Project coordinator; (ii) monitoring and evaluation specialist; (iii) financial management specialist; (iv) procurement specialist; (v) hydrology engineer; (vi) ecology specialist; (vii) an environmental and social risks management specialist; and (viii) such other technical and fiduciary specialists, personnel or consultants as may be agreed with the Association and detailed in the PIM.
- (b) The REMA-SPIU shall be responsible *inter alia* for implementation part 1(b) and 3(b)(iv) of the Project, including: (i) wetland management, rehabilitation and health monitoring; (ii) technical assistance for a high-resolution DTM; and (iii) promoting advocacy, knowledge exchange and partnerships, in close coordination with CoK and with technical advisory support from RWB and technical and procurement support from the Rwanda Land Management and Use Authority (RLMUA).

6. **LODA Single Project Implementation Unit**

- (a) The Recipient shall cause LODA to maintain, throughout Project implementation, the LODA Single Project Implementation Unit (LODA-SPIU), with adequate resources and facilitation and composed of key staff, with qualifications, experience and under terms of reference acceptable to the Association, including: (i) Project coordinator; (ii) monitoring and evaluation specialist; (iii) financial management specialist, (iv) procurement specialist; (v) environmental risks management specialist; (vi) social risks management specialist; (vii) civil engineer; and (viii) such other technical and fiduciary specialists, personnel or consultants including one field-support civil engineer, as may be agreed with the Association and detailed in the PIM.
- (b) The LODA-SPIU shall be responsible *inter alia* for: (i) implementation of part 2(b) and 3(b)(ii) of the Project; (ii) oversight of district governance and local economic development (LED) activities; and (iii) such other functions as may be detailed in the PIM.

7. **CoK Kigali Urban Upgrading Team**

- (a) The Recipient shall cause the CoK to maintain, throughout Project implementation, the CoK Kigali Urban Upgrading Team (CoK-KUUT) with adequate resources and facilitation and composed of key staff, with

qualifications, experience and under terms of reference acceptable to the Association, including: (i) a Project Coordinator; (ii) monitoring and evaluation specialist; (iii) procurement specialist; (iv) financial management specialist; (v) civil engineer (with expertise in stormwater management); (vi) an environmental risks management specialist; (vii) a social risks management specialist; and (viii) such other technical and fiduciary specialists, personnel or consultants as may be agreed with the Association and detailed in the PIM.

- (b) The CoK-KUUT shall be responsible *inter alia* for: (i) implementation of part 1(a) and 3(b)(v) of the Project; (ii) environmental and social management and supervision; (iii) monitoring and evaluation; (iv) facilitation and follow-up on all institutional and capacity building activities at CoK; and (v) such other functions as may be specified in the PIM.

8. **Target Secondary Cities Project Implementation Units**

- (a) The Recipient shall cause each Target Secondary City to within thirty (30) days after the Effective Date establish and maintain, throughout Project implementation, a TSC Project Implementation Unit (TSC-PIU) with adequate resources and facilitation and composed of key staff, with qualifications, experience and under terms of reference acceptable to the Association, including for each TSC-PIU: (i) a project focal person (who will also carry-out the monitoring and evaluation function); and (ii) an environmental and social risks management specialist.
- (b) The TSC-PIUs shall be responsible *inter alia* for: (i) implementation of part 2(a) and 3(b)(iii) of the Project; (ii) liaising with relevant offices of the city to ensure implementation is in accordance with the Project's Environmental and Social instruments and fiduciary guidelines; (iii) monitoring and evaluation reporting including preparation of quarterly monitoring and evaluation reports for submission to the LODA-SPIU; (iv) disseminating information about the Project (including contract awards, physical and financial progress of works contracts); (v) contributing to capacity building activities; (vi) monitor and supervise the implementation of environmental and social management plans; (vii) facilitation and follow-up on all institutional and capacity building activities; and (viii) such other functions as may be specified in the PIM.

9. **Memoranda of Understanding**

(a) **CoK – RWB MoU**

- (i) In order to facilitate the implementation of part 1(a) of the Project, the Recipient shall cause the CoK and RWB within 30 (thirty) days after the Effective Date to execute a Memorandum of Understanding for the provision by RWB of technical support to the CoK for implementation of flood risk and wetland management under part 1(a) of the Project (the “CoK-RWB MoU”).
- (ii) The CoK-RWB MoU shall *inter alia* provide for: (A) the provision by RWB of technical advisory support to CoK in undertaking the flood risk reduction infrastructure, installation of rainfall, water level and discharge monitoring equipment, preparation of the stormwater management master plan; (B) the roles and responsibilities of each party to the MoU; and (C) guidelines on procurement, financial management and monitoring.

(b) **REMA – RLMUA MoU**

- (i) In order to facilitate the implementation of part 1(b) of the Project, the Recipient shall cause REMA and RLMUA within 30 (thirty) days after the Effective Date to execute a Memorandum of Understanding for the execution of the LiDAR survey under part 1(b) of the Project (the “REMA-RLMUA MoU”).
- (ii) The REMA-RLMUA MoU shall *inter alia* provide for: (A) the roles and responsibilities of each party to the MoU; and (B) financial management, procurement and monitoring arrangements for the activities to be conducted by RLMUA.

(c) **REMA – RWB MoU**

- (i) In order to facilitate the implementation of part 1(b) of the Project, the Recipient shall cause REMA and RWB within 30 (thirty) days after the Effective Date to execute a Memorandum of Understanding for the provision by RWB of technical and advisory support to REMA on wetland restoration and rehabilitation and health monitoring under part 1(b) of the Project (the “REMA-RWB MoU”).

- (ii) The REMA-RLMUA MoU shall *inter alia* provide for: (A) the roles and responsibilities of each party to the MoU; and (B) financial management, procurement and monitoring arrangements for the activities to be conducted by RWB.

10. Community Upgrading Committees

- (a) The Recipient shall cause each TSC and the CoK, prior to commencement of infrastructure upgrading in each settlement, to establish and maintain throughout Project implementation, Community Upgrading Committees (“CUCs”) composed of key personnel under terms of reference acceptable to the Association, including for each CUC: (i) a chairperson; (ii) vice chairperson; (iii) secretary; (iv) women’s representative; and (v) a youth representative.
- (b) The CUCs shall work with city officials at critical review and decision-making points along the planning and implementation process, namely: (i) baseline survey and initial data collection; (ii) feasibility studies for infrastructure investments in the settlement and prioritization; (iii) preparation of preliminary and final community upgrading plans, (iv) preliminary and detailed design for infrastructure investments, (v) monthly site meetings with the construction supervision consultants and contractors; (vi) review and validation of consultants’ reports and deliverables; and (vii) and shall perform such other roles as may be detailed in the PIM.

B. Subsidiary Agreements.

- 1. To facilitate the carrying out of each Project Implementing Entity’s and CoK’s respective parts of the Project, the Recipient shall make part of the proceeds of the Financing available to each of CoK, REMA and LODA under subsidiary agreements executed between the Recipient and each Project Implementing Entity, under terms and conditions approved by the Association (respectively the “CoK Subsidiary Agreement”, “REMA Subsidiary Agreement” and “LODA Subsidiary Agreement” and collectively the “Subsidiary Agreements”), which shall include:
 - (a) the provision of the Financing to the relevant Project Implementing Entity or CoK on a grant basis;
 - (b) the obligation of the Project Implementing Entity or CoK to:
 - (i) monitor and evaluate the progress of its respective part of the Project and prepare and submit to the Recipient prompt progress reports; (ii) exchange views with the Recipient, and the Association with regard to the progress of its respective part of the Project, and the performance of its obligations under the

subsidiary agreement; and (iii) provide the Recipient promptly all such information as the Recipient or the Association may reasonably request for purposes of incorporating such information in the report referred to in Section 5.08 (c) of the General Conditions;

- (c) the obligation of the Project Implementing Entity or CoK to carry out its obligations under the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, labor, health and safety and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required including operation and maintenance costs;
- (d) the obligation of the Project Implementing Entity or CoK to promptly notify and inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of its obligations under the Project and the subsidiary agreement, including but not limited to any Project-related accidents and incidents, such as, for example, fatalities, or allegations of gender-based violence associated with the Project;
- (e) the obligation of the Project Implementing Entity or CoK to carry out its obligations under the Project and the subsidiary agreement in accordance with the PIM, the environmental and social instruments, the Procurement Regulations and the Anti-Corruption Guidelines;
- (f) the obligation of the Project Implementing Entity or CoK to:
 - (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its respective part of the Project; and (ii) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and
- (g) the right of the Recipient to take remedial actions against the Project Implementing Entity or CoK, in case the Project Implementing Entity or CoK shall have failed to comply with any of its obligations under the subsidiary agreement, which actions may include, *inter alia*, the partial or total suspension and/or

cancellation or refund of all or any part of the proceeds of the subsidiary financing availed to the Project Implementing Entity or CoK pursuant to the subsidiary agreement.

2. The Recipient shall exercise its rights under each of 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 any of the Subsidiary Agreements or any of their provisions.

C. Project Implementation Manual (“PIM”)

1. The Recipient shall and shall ensure that the Project is carried out in accordance with the requirements set forth in the Project Implementation Manual (“PIM”). The PIM shall set out detailed guidelines, methods and procedures for the implementation of the Project, including: (a) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration among various Project stakeholders; (b) budget and budgetary control; (c) flow of funds, disbursement procedures and banking arrangements; (d) financial, procurement and accounting procedures, (e) internal control procedures; (f) reporting requirements; (g) communication arrangements and procedures; (h) external audit; (i) anti-corruption and fraud mitigation measures; (j) environmental and social risks management, including a detailed description of the grievance redress process as well as any process for recording and reporting Project-related accidents and incidents; (k) monitoring and evaluation arrangements, including procedures and reporting formats; (l) a CERC annex; and (m) such other arrangements and procedures as shall be required for the effective implementation of the Project.
2. The Recipient shall not amend, abrogate or suspend, or permit to be amended, abrogated or suspended, any provision of the PIM, without the prior written agreement of the Association.
3. Notwithstanding the foregoing, if any provision of the PIM is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Emergency Response Part”), the Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, a Contingency 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 Implementation 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.”

E. Counterpart Funds

1. The Recipient shall allocate and avail an amount equivalent to fifteen million Dollar (\$15,000,000) for the financing of any required resettlement, land acquisition, compensation and relocation under the Project (the “Counterpart Funds”).
2. The Recipient shall disburse the Counterpart Funds in accordance with the provisions of the Annual Work Plan and Budget.

F. Annual Work Plan and Budget

1. The Recipient shall:
 - (a) prepare and furnish to the Association not later than March 31 in each year (or such other date as the Association may agree to) beginning in the Fiscal Year 2022 a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing including the Association’s and the Recipient’s respective shares of the costs in the financing plan;
 - (b) taking into account the Association’s comments, finalize the plan and furnish it to Association for its approval not later than May 31 in each year (or such other date as the Association may agree) beginning in the Fiscal Year 2022; and
 - (c) adopt the plan as shall have been approved by the Association (Annual Work Plan and Budget or AWPB).
2. The Recipient shall ensure that the Project is implemented with due diligence and in accordance with the AWPB.
3. The Recipient shall disburse, promptly as required, the Counterpart Funds as specified in the AWPB and in this Agreement.
4. The Recipient shall not make or allow to be made any change to the AWPB without prior agreement in writing by the Association.
5. In the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

G. Environmental and Social Standards

1. The Recipient shall, and shall cause the Project Implementing Entities to, 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 Recipient shall, and shall cause the Project Implementing Entities to, 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 Recipient shall, and shall cause the Project Implementing Entities to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the Project Implementing Entities to, 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.

5. The Recipient shall, and shall cause the Project Implementing Entities 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 Association.
6. The Recipient shall, and shall cause the Project Implementing Entities to, 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

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

Section III. Withdrawal of the Proceeds of the Financing

A. General

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 Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in JPY)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
<p>(1) Goods, works, non-consulting services, consulting services, Training Costs and Operating Costs under</p> <p>(a) Part 1(a) of the Project</p> <p>(b) Part 3(b)(v) of the Project (CoK)</p>	<p>3,053,300,000</p>	<p>18,500,000</p> <p>900,000</p>	<p>51% Credit; 49% Grant</p> <p>100%</p>
<p>(2) Goods, works, non-consulting services, consulting services, Training Costs and Operating Costs under Parts 1(b) and 3(b)(iv) the Project (REMA)</p>		<p>3,100,000</p>	<p>30%</p>
<p>(3) Goods, works, non-consulting services, consulting services, Training Costs</p>			

and Operating Costs under			
(a) Parts 2(a) of the Project	4,891,100,000	22,300,000	60% Credit; 40% Grant
(b) Parts 2(b), 3(b)(ii) and (iii) the Project (LODA)		4,700,000	100%
(4) Goods, works, non-consulting services, consulting services, Training Costs and Operating Costs under Parts 3(a) and 3(b)(i) the Project (MININFRA)		3,400,000	100%
(5) Emergency Expenditures under Part 4 of the Project	0		
TOTAL AMOUNT	7,944,400,000	52,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category (5), 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.G 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.D.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.D.1 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.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 1 and December 1, commencing December 1, 2026 to and including June 1, 2058	1.5625%

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

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
2. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “City Management Office” or “CMO” means the structure in the organizational setup of secondary cities charged with management of the urban planning and development operations in the secondary city.
5. “Contingency Emergency Response Manual” and the acronym “CER Manual” means the manual referred to in Section I.D.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part and form part of the Project Implementation Manual in accordance with the provisions of said Section.
6. “CoK” means the City of Kigali means the decentralised administrative entity of the city of Kigali established under Law N°87/2013 of 11/09/2013 determining the organisation and functioning of decentralized administrative entities.
7. “CoK Subsidiary Agreement” means the subsidiary agreement referred to under Section I.B of Schedule 2 to this Agreement entered into between the City of Kigali and the Recipient.
8. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
9. “Emergency Expenditure” means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I.D of Schedule 2 to this Agreement and required for the Emergency Response Part.
10. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.

11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated September 24, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020).
14. “Kigali Master Plan 2050” means the tool envisaged to enable the city of Kigali to realize its vision 2050 which is to become “a center of urban of excellence in Africa”.
15. “LODA” means the Local Administrative Entities Development Agency established pursuant to Article 1 of Law N°62/2013 of 27/08/2013 establishing the Local Administrative Entities Development Agency (LODA) and determining its mission, organisation and functioning, or its successor thereto acceptable to the Association.
16. “LODA Subsidiary Agreement” means the subsidiary agreement referred to under Section I.B of Schedule 2 to this Agreement entered into between LODA and the Recipient.

17. “Master Plans” means in regard to each Target Secondary City, the framework for structure plans that show the land use for economic and social development of the secondary city.
18. “Meteo Rwanda” means the Rwanda Meteorology Agency established pursuant to Law N°54bis/2011 of 14/12/2011 establishing Rwanda Meteorology Agency (Meteo Rwanda) and determining its mission, organisation and functioning, or its successor thereto as acceptable to the Association.
19. “MINEMA” or “Ministry of Emergency Management” means the Recipient’s ministry responsible for management of disasters and emergencies.
20. “MININFRA” or “Ministry of Infrastructure” means the Recipient’s ministry responsible for infrastructure.
21. “National Urbanization Policy” or “NUP” means the Recipient’s policy on urbanization of December 2015 that ensures urban physical development is carried out in a well-coordinated manner to create a functional network of development poles and livable, inclusive green urban environment objectively to transform the country’s economy and improve the socio-economic conditions for all.
22. “National Housing Policy” means the Recipient’s housing policy adopted in March 2015, aimed enabling universal access adequate housing in sustainably planned and developed areas reserved for habitation in Rwanda.
23. “National Strategy for Transformation” or “NST1” means the Recipient’s seven-year program, 2017 – 2024 for sustained growth and transformation.
24. “Operating Costs” means the reasonable incremental operating expenses, approved by the Association, incurred by the Recipient on account of Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment, office supplies, hire of Project staff, bank charges and travel and supervision costs but excluding salaries to public/civil servants of the Recipient.
25. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
26. “Project Implementing Entity” means each of LODA and REMA, and Project Implementing Entities refers to both of REMA and LODA.
27. “Project Implementation Manual” or “PIM” means the implementation manual for the Project referred to under Section I.C of Schedule 2 to this Agreement.

28. “REMA” means the Rwanda Environment Management Authority established under Article 1 of Law N°63/2013 of 27/08/2013 determining the mission, organization and functioning of Rwanda Environment Management Authority (REMA), or its successor thereto acceptable to the Association.
29. “REMA Subsidiary Agreement” means the subsidiary agreement referred to under Section I.B of Schedule 2 to this Agreement entered into between REMA and the Recipient.
30. “RHA” means the Rwanda Housing Authority established pursuant to Law N°40/2010 of 25/11/2010 establishing the Rwanda Housing Authority (RHA) and determining its responsibilities, organisation and functioning, or its successor thereto as acceptable to the Association.
31. “RLMUA” means the Rwanda Land Management and Use Authority established pursuant to Law N°05/2017 of 03/02/2017 establishing Rwanda Land Management and Use Authority and determining its mission, organisation and functioning, or its successor thereto as acceptable to the Association.
32. “RTDA” means the Rwanda Transport Development Authority established pursuant to Law N°02/2010 of 20/01/2010 establishing Rwanda Transport Development Agency (RTDA) and determining its mission, structure and functioning as modified and complemented by Law N°29/2014 of 14/08/2014, or its successor thereto as acceptable to the Association.
33. “RWB” means the Rwanda Water Resources Board established pursuant to Law N° 71/2019 of 21/01/2020 determining its mission and responsibilities with goal to ensure sufficient water resources for long-term economic growth and to reduce the impact of flooding and landslide risks.
34. “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.
35. “Target Secondary Cities” or “TSCs” means the secondary cities of Huye, Muhanga, Musanze, Nyagatare, Rubavu and Rusizi in the Recipient’s territory or such other cities as may be agreed between the Association and the Recipient, and “Target Secondary City” or “TSC” means each such individual secondary city.
36. “Training Costs” means the reasonable cost of training under the Project, as approved by the Association, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.

37. “Vision 2050” means the long-term national development vision established by the government of Rwanda to drive the country’s desired socio-economic growth towards achieving a high-income country status by 2050.
38. “WASAC” means the Water and Sanitation Corporation setup to manage the water and sanitation services in Rwanda pursuant to Prime Minister’s Order N°87/03 of 16/08/2014 determining modalities of transfer of responsibilities and property of Energy, Water And Sanitation Authority (EWSA), to *inter alia*, WASAC, or its successor thereto as acceptable to the Association.