
**CREDIT NUMBER 6776-RW
GRANT NUMBER D721-RW
ESMAP GRANT NUMBER TB03589**

Project Agreement

(Energy Access and Quality Improvement Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ENERGY DEVELOPMENT CORPORATION LIMITED

PROJECT AGREEMENT

AGREEMENT between the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the Energy Development Corporation Limited (“Project Implementing Entity” or “EDCL”) (“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. 6776-RW and Grant No. D721-RW, and the Grant Agreement (“Grant Agreement”) of the Signature Date between the Recipient and the Association, acting as administrator of the Energy Sector Management Assistance Program Multi-Donor Trust Fund (“ESMAP-MDTF”) concerning ESMAP Grant No. TB03589. 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 and 4 of the Project (“EDCL’s Respective Part 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 the Managing Director.
- 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:	Facsimile:	E-mail:
248423(MCI) or	1-202-477-6391	rwandainfo@worldbank.org

4.03. For purposes of Section 11.01 of the General Conditions: (a) the Project Implementing Entity's address is:

Energy Development Corporation Limited
KN2 ST, Nyarugenge District, Kigali City
P.O. Box 3855
Kigali-Rwanda; and

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

Telephone:	E-mail:
+ 250 78 717 2265	fgakuba@edcl.reg.rw, info@edcl.reg.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: 24-Sep-2020 _____

ENERGY DEVELOPMENT CORPORATION LIMITED

By

Felix Gakuba

Authorized Representative

Name: Felix Gakuba _____

Title: Managing Director _____

Date: 26-Sep-2020 _____

SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. EDCL shall carry out its Respective Part of the Project in accordance with the arrangements and procedures set out in the EDCL Operations Manual, provided that: (a) if there is a conflict between the provisions set out in the EDCL Operations Manual and the provisions of this Agreement, this Agreement shall prevail; and (b) the EDCL Operations Manual shall not be amended, abrogated or any provision thereof waived unless the Association has provided its prior written 'no-objection'.
2. The Project Implementing Entity shall:
 - (a) maintain, at all times during the implementation of the Project, adequate resources, facilitation and staff, as satisfactory to the Association for purposes of implementing the Project as further detailed in the EDCL Operations Manual;
 - (b) maintain technical and managerial teams responsible for supporting implementation of EDCL's Respective Part of the Project;
 - (c) establish and maintain, throughout the implementation of the Project, a Program Coordination Unit ("PCU") with adequate resources and staffing with qualifications and experience, and under terms of reference satisfactory to the Association, such staff to include a program manager, one project coordinator, a procurement specialist, financial management specialist, environmental and social risks management specialist, occupational health and safety specialist, contract management specialist, corporate services specialist, and such other specialists as may be necessary for Project implementation all as further detailed in the EDCL Operations Manual. The PCU will be headed by the program manager ("Program Manager") who will report directly to the Managing Director of EDCL. The Program Manager shall have the overall responsibility for: (i) Project implementation management and coordination; and (ii) Project monitoring and evaluation and reporting. The Program Manager will be supported, within the PCU, by high level staff to head program functions such as procurement, finance, environmental and social risks management, contract management, and any other function that is deemed to require high level leadership. The PCU will house a Project coordinator (the "Project Coordinator") who will provide the Program Manager coordination management and support for the Financing;
 - (d) recruit additional relevant staff within the existing EDCL structure to provide support to ensure effective implementation of the Project, as further detailed in the EDCL-Operations Manual;

- (e) carry out, and cause any other public or private entity responsible for the operation, financing, or oversight of the Ntaruka HPP to carry out, all necessary actions and enter into any necessary agreements, to effectuate the terms of this Agreement and the ESCP, including but not limited to the actions agreed to in the Ntaruka HPP Action Plan;
- (f) not later than March 31 of each Fiscal Year during the implementation of the Project, prepare and furnish to the Association for the Association's no-objection, a consolidated annual program of activities proposed for implementation under Part 1 (*Increasing Access to Grid Electricity*) and Part 4 (*Technical Assistance, Institutional Capacity Building and Implementation Support*) of the Project during the following Fiscal Year, including the Association's, the MDTF's, the Co-Financiers' and the Recipient's respective shares of the costs;
- (g) exchange views with the Association on each such proposed annual work plan and budget, and upon the Association's no-objection, implement Part 1 (Increasing Access to Grid Electricity) and Part 4 (Technical Assistance, Institutional Capacity Building and Implementation Support) of the Project in accordance with the Agreed AWPB, as may be amended from time to time with the Association's prior approval (provided, however, that in the event of any conflict between the Agreed AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail).

B. Sub-projects.

1. EDCL shall avail the Innovation Grants under Part 4(d)(v) to Grant Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the EDCL Operations Manual.
2. The Project Implementing Entity shall make each Sub-financing under a Sub-financing Agreement with the respective Grant Beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (a) the Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Association and the Recipient, including the right to: (i) suspend or terminate the right of the Grant Beneficiary to use the proceeds of the Sub-financing, or obtain a refund of all or any part of the amount of the Sub-financing then withdrawn, upon the Grant Beneficiary's failure to perform any of its obligations under the Sub-financing Agreement;
 - (b) require each Grant Beneficiary to: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant or loan proceeds other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Sub-financing in accordance with the provisions of the Procurement Regulations; (iv) maintain

policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;

- (c) require each Grant Beneficiary 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 the Sub-project; and 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; (ii) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (iii) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
3. The Project Implementing Entity shall exercise its rights under each Sub-financing Agreement in such manner as to protect the interests of the Recipient, the Association and the Project Implementing Entity and to accomplish the purposes of the Financing. Except as the Recipient and the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-financing Agreement or any of its provisions.

C. 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. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. 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.
5. 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.
6. 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 quarter and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months, 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.