
**NDF GRANT NUMBER TF0B8087
FIRST AMENDMENT TO
THE ORIGINAL FINANCING AGREEMENTS RELATED TO:
CREDIT NUMBER 6789-RW,
GRANT NUMBER D737-RW,
SCP- PPCR LOAN NUMBER TF0B3896, AND
GEF GRANT NUMBER TF0B3927**

Africa NDF Climate Change Program
Grant Agreement

(Additional Financing for the Second Urban Development Project)

between

REPUBLIC OF RWANDA

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Africa NDF Climate Change Program Single-Donor
Trust Fund**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION and INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT acting in various
capacities as stated in the Original Financing Agreements**

**NDF GRANT NUMBER TF0B8087
FIRST AMENDMENT TO
THE ORIGINAL FINANCING AGREEMENTS RELATED TO:
CREDIT NUMBER 6789-RW,
GRANT NUMBER D737-RW,
SCP- PPCR LOAN NUMBER TF0B3896, AND
GEF GRANT NUMBER TF0B3927**

**AFRICA NDF CLIMATE CHANGE PROGRAM SINGLE-DONOR
TRUST FUND GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF RWANDA (“Recipient”), INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Africa NDF Climate Change Program Single-Donor Trust Fund; and INTERNATIONAL DEVELOPMENT ASSOCIATION and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, in various capacities as specified in the Original Financing Agreement (referred to, collectively, in this Agreement as the “World Bank”). The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall cause Part 1(b)(v) and (vi) and Part 3(b)(iv) of the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement and the Project Agreement.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed nine million Euros (€9,000,000) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.
 - (a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.
 - (b) If the Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the Bank at the date of the Project Agreement, has undergone no material adverse change after such date.
 - (c) The Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
- 4.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of the Member Country, showing the following matters:
 - (a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;
 - (b) on behalf of the Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

- (c) the Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon each such party in accordance with its terms.
- 4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date which is ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.
- 5.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s address is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Republic of Rwanda; and

(b) the Recipient’s Electronic Address is:

Facsimile:	E-mail:
250-252-57-75-81	info@minecofin.gov.rw

- 5.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI) or 64145 (MCI)	1-202-477-6391	rwandainfo@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF RWANDA

By

Dr. Uzziel Ndagijimana

Authorized Representative

Name: Dr. Uzziel Ndagijimana

Title: Minister of Finance and Economic Planning

Date: 19-Apr-2022

**INTERNATIONAL DEVELOPMENT
ASSOCIATION**

**acting as administrator of the Africa NDF Climate Change
Program Single-Donor Trust Fund**

By

Rolande Pryce

Authorized Representative

Name: Rolande Pryce

Title: Country Manager

Date: 12-Apr-2022

SCHEDULE 1

Project Description

The objectives of the Project are 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 additional part:

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

- (a) **Supporting integrated urban planning for resilient, inclusive infrastructure delivery, by:**
- (i) upgrading urban space 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) implementing 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) providing technical assistance for development and preparation of a stormwater management master plan (SWMMP) for the CoK and for water level monitoring;
 - (iv) installing rainfall sensors and hydrological stations with water level and discharge monitoring in the urban area and wetlands of Kigali and its immediate surroundings;
 - (v) providing 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;

- (vi) developing the institutional capacity 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; and
 - (vii) knowledge development, management, dissemination and outreach and establishment of partnerships to support effective monitoring and profiling of the rehabilitation works undertaken in the City of Kigali.
- (b) **Evidence-based, sustainable wetland management, flood risk management and greenhouse gas monitoring, by:**
- (i) designing, implementing and monitoring 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) providing 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) developing a detailed city-wide digital terrain model (DTM) using an aerial Light Detection and Ranging (LiDAR) and photogrammetric survey;
 - (iv) strengthening advocacy, knowledge exchange and partnerships on sustainable urbanization;
 - (v) providing support for wetland rehabilitation works on *Nyabugogo* and *Rugenge-Rwintare* wetlands; including: (A) technical assistance for the development of plans for the operation, long-

term management strategy and business plans for the development of the wetlands including supervision of rehabilitation works and compliance with environmental and social requirements and development of operational plans; and (B) knowledge development, management, dissemination and outreach; and

- (vi) carrying out investments in the rehabilitation of *Nyabugogo* and *Rugenge-Rwintare* wetlands, to enhance wetland functions, reduce flooding, and promote access and use of wetlands by communities and tourists.

Part 2: Support to Secondary Cities

(a) Infrastructure and service delivery in secondary cities, by:

- (i) developing infrastructure including roads, drainage, pedestrian walkways and streetlighting in the Target Secondary Cities (TSCs);
- (ii) carrying out comprehensive upgrading in unplanned settlements prioritized by the TSCs including provision of offsite infrastructure such as drainage and roads; and
- (iii) providing 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 the establishment and functioning of City Management Offices (CMOs) by:

- (i) developing a roadmap for CMO development outlining the key urban functions to be carried out by CMOs;
- (ii) preparing medium-term (five-year) and annual Institutional and Capacity Development (ICD) plans for urban management; and
- (iii) implementing 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, by providing technical assistance for:

- (i) the 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; and
- (b) **Project management**, *by providing 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, local supervision and oversight, monitoring and environmental and social risk management 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. Institutional and Other Arrangements

A. General

1. The Recipient shall comply with the same obligations with respect to Part 1(b)(v) and (vi) and Part 3(b)(iv) of the Project, as for the other Parts of the Project as reflected in the Original Financing Agreements.
2. The Recipient shall ensure that the Project Implementing Entity shall maintain its implementation arrangement and comply with all its obligations under the Project Agreements for the implementation of its Respective Part of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 1(b)(v) and (vi) and Part 3(b)(iv) of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Bank.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Environmental and Social Standards.

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project 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 Bank. To this end, the Recipient shall, and shall cause the Project Implementing Entity 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 Bank 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 Entity to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the 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 Bank, 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 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.
- 5. The Recipient shall, and shall cause the Project 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 Bank.
- 6. The Recipient shall, and shall cause the Project Implementing Entity 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

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance 100% of Eligible Expenditures, consisting of goods, works, non-consulting services, consulting services, Training Costs and Operating Costs under Part 1(b)(v) and (vi) and Part 3(b)(iv) of the Project, inclusive of Taxes.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2025.

Section IV. Amendment of the Original Financing Agreements

The Recipient and the World Bank, hereby agree to amend each of the Original Financing Agreement, as follows:

1. Schedule 1 to each of the Original Financing Agreements is hereby amended to read in its entirety as set forth in Schedule 1 of this Agreement.

All other provisions of the Original Financing Agreements which are not amended under this Section remain valid and applicable.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 3, 2022, 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.
3. “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 Bank.
4. “Operating Costs” means the reasonable incremental operating expenses, approved by the Association, incurred by the Project Implementing Entity 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 and, as the case may be, of the Project Implementing Entity.
5. “Original Project” means the Recipient’s Second Rwanda Urban Development Project, as described in Schedule 1 of each of the Original Financing Agreements.

6. “Original Financing Agreements” means, collectively, the Financing Agreement entered into between the Recipient and the International Development Association on November 12, 2020 for the financing of the Original Project through the extension of Credit no. 6789-RW and Grant No. D737-RW; the Strategic Climate Fund- Pilot Program for Climate Resilience Loan Agreement entered into between the Recipient and International Bank for Reconstruction and Development acting as an implementing entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund on November 12, 2020 for the financing of the Original Project through the extension of the SCP-PPCR Loan no. TF0B3896; and the Global Environment Facility Grant Agreement entered into between the Recipient and International Bank for Reconstruction and Development acting as an implementing agency for the Global Environment Facility on November 12, 2020 for the financing of the Original Project through the extension of GEF Grant no. TF0B3927.
7. “Original Project Agreement” means the Project Agreement entered into between the World Bank and the Project Implementing Entity in connection with the Original Financing Agreements.
8. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
9. “Project Agreement” means the agreement between the Bank and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. “Project Agreement” includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
10. “Project Implementing Entity” 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 which has been deemed acceptable to the Association for the implementation of its Respective Part of the Project.
11. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
12. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.

13. “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.
14. “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.