

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS**“CONFORMED COPY”**

December 22, 2010

John Rwangombwa,
Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning
P. O. Box 158
Kigali, Rwanda

Re: *Rapid Social Response Multi-Donor Trust Fund (“RSR-MDTF”)*
Grant No TF098507
Technical Assistance and Capacity Building to Vision 2020 Umurenge Program

Dear Excellency:

In response to the request for financial assistance made on behalf of the Republic of Rwanda (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided by various donors under the Rapid Social Response Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed one million four hundred fifty thousand United States Dollars (U.S.\$1,450,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annexes, to assist in the financing of the project described in the Annexes (“Project”). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Johannes C.M. Zutt
Country Director for Rwanda

AGREED: /s/ John Rwangombwa

By: REPUBLIC OF RWANDA
John Rwangombwa
Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning

Date: January 13, 2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter dated December 22, 2010, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I

Standard Conditions; Definitions

1.01. *Standard Conditions.* The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

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

Article II Project Execution

2.01. *Project Objectives and Description.* The objectives of the Project are: (i) to enable the Social Protection Programs to better respond to potential shocks-induced vulnerability to poor households in future; and (ii) to contribute to building the Social Protection Programs capacity to scale-up interventions and absorb more funds in future crises.

The Project consists of the following parts:

Part I. Institutional development and capacity building to Sectors: (i) Support to sustain the ongoing National Technical Assistance (“NTA”) to ensure continued implementation of the Vision 2020 Umurenge Program (VUP) in the short run; (ii) Support Participating Sectors through the NTA to generate data and information necessary for program evaluation to inform the new broader Integrated Social Protection Strategy (ISPS); (iii) Support Participating Sectors’ capacity through the NTA and any other agreed Technical Assistance (“TA”) to facilitate implementation on the ground and generate data and information required for evaluation; and (iv) support government to develop a strategic staffing plan consistent with the planned VUP scale up strategy.

Part II. Developing a beneficiary and administrative data base using a combination of NTA and international TA: (i) Support generation of data on beneficiaries and administrative aspects of the VUP program on a regular basis; (ii) Support data collection and its upward communication to fulfill demands of developing a beneficiary and administrative data base; and (iii) develop a simple soft ware based data base with suitable fields for inputting data on the agreed indicators as well as generating preliminary reports for more analysis.

2.02. *Project Execution Generally.* The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Local Government in accordance with the provisions of: (a) Article II of the Standard Conditions; (b)

the Anti-Corruption Guidelines, with the modifications set forth in Section II of the Annex B to this Agreement; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** The Recipient shall maintain the VUP throughout the Project implementation with staff and mandate satisfactory to the World Bank.

2.04 ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than 45 days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.05. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank's request, have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. ***Procurement***

(a) General. All services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

(ii) the provisions of this Section.

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described the Consultant Guidelines.

(c) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection; (F) Established Private or Commercial Practices which have been found acceptable to the World Bank; (G) Selection of Service Delivery Contractors which have been found acceptable to the World Bank; (H) Selection of Individual Consultants; and (I) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. All contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table.

The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in U.S.\$)	Percentage of Expenditures to be Financed inclusive of Taxes
(1) Consultants' services	1,305,000	100%
(2) Operating Costs	145,000	100%
TOTAL AMOUNT	1,450,000	

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

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2012.

Article IV
Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Rwanda
Facsimile: 250-252-57-75-81

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

Definition; Anti-Corruption Guidelines

Section I. Definition

- 1- “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, with the modifications set forth in Section II of this Appendix.
- 2- “Category” means a category set forth in the table in Section 3.01 of Annex A to this Agreement.
- 3- “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
- 4- “Integrated Social Protection Strategy” or “ISPS” means a strategy of implementing social protection interventions adopted by the Recipient.
- 5- “Operating Costs” means the expenses incurred for execution, management and monitoring of the Project including office rents, equipment and furniture, bank charges, advertizing expenses, communications, the use, maintenance and insurance of vehicles, the maintenance of offices and equipment, travel and supervising costs, support staff salaries for cleaners, secretary and drivers; but excluding salaries and allowances of officials of recipient civil service.
- 6- “Participating Sectors” means Recipient’s administrative levels below a district authority where the Grant shall finance consultants and their related operational costs.
- 7- “Social Protection Programs” means interventions run by the Recipient, civil society organization and non-governmental organizations to enhance social protection.
- 8- “Training and Workshops” means the costs associated with the participation of personnel involved in Project supported activities in training and workshops, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and resource persons, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course or workshop preparation and implementation.
- 9- “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated July 31, 2010.
- 10- “Vision 2020 Umurenge Program” or “VUP” means integrated local development program adopted by the Recipient to accelerate the rate of poverty eradication, rural growth and social protection.

Section II. The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are

not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”