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

Financing Agreement

(Energy Access and Quality Improvement Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6776-RW
GRANT NUMBER D721-RW

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the **REPUBLIC OF RWANDA** (the “Recipient”) and the **INTERNATIONAL DEVELOPMENT ASSOCIATION** (the “Association”).

WHEREAS under an agreement (“Grant Agreement”) to be entered into between the Recipient and the Association, acting as an administrator of the Energy Sector Management Assistance Program Multi-Donor Trust Fund, the Association intends to provide the Recipient with a grant (“ESMAP Grant”) in an amount specified in the Grant Agreement to assist in financing the Project.

NOW THEREFORE, 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 (*Project Description*) to this Agreement (“Project”):
 - (a) an amount equivalent to fifty-four million, six hundred thousand Special Drawing Rights (SDR 54,600,000) (“Grant”); and
 - (b) the amount of eight billion, eighty million, two hundred thousand Yen (JPY 8,080,200,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 (*Project Execution*) 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plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.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 (*Repayment Schedule*) to this Agreement.
- 2.07. The Payment Currency is Yen.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entities in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreements.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is the date thirty (30) days after the Effective Date.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Recipient has established the Steering Committees, as referred to in Section I.A of Schedule 2 (*Project Execution*) to this Agreement, in form and substance satisfactory to the Association;
 - (b) EDCL has appointed the Program Manager and the Project Coordinator, as referred to in Section I.A of Schedule 2 (*Project Execution*) to this Agreement, with qualifications, experience and under terms of reference acceptable to the Association;
 - (c) EDCL has prepared and adopted the EDCL-Operations Manual, as referred to in Section I.B of Schedule 2 (*Project Execution*) to this Agreement, in form and substance satisfactory to the Association;

- (d) BRD has prepared and adopted the BRD-Operations Manual, as referred to in Section I.B of Schedule 2 (*Project Execution*) to this Agreement, in form and substance satisfactory to the Association; and
- (e) the Subsidiary Agreements, as referred to in Section I.C of Schedule 2 (*Project Execution*) to this Agreement, have been executed between the Recipient and the Project Implementing Entities in form and substance satisfactory to the Association.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is the Recipient’s minister responsible for finance.
- 6.02. 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:

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

- 6.03. 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

Dr. Uzziel Ndagijimana

Authorized Representative

Dr. Uzziel Ndagijimana

Name: _____

Title: _____ Minister of Finance and Economic Planning

Date: _____ 24-Sep-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Rolande Pryce

Authorized Representative

Rolande Pryce

Name: _____

Title: _____ Country Manager

Date: _____ 24-Sep-2020

SCHEDULE 1

Project Description

The objective of the Project is to improve access to modern energy for households, enterprises and public institutions and enhance the efficiency of electricity service in the Republic of Rwanda.

The Project consists of the following parts:

Part 1. Increasing Access to Grid Electricity through financing and support for,

Grid connections of new consumers, including financing of grid extensions and consumer connections in select districts in the Recipient's territory, including the districts of Gicumbi, Musanze, Rulindo, Burera, Ngororero, Nyabihu, Rubavu, Rusizi, Nyamasheke, Karongi and Rutsiro.

Part 2. Enhancing the Efficiency of Electricity Service

- (a) *Rehabilitation of Ntaruka Hydro-Power Plant* ("Ntaruka HPP"), through financing and support for, restoration of the Ntaruka HPP plant capacity to its installed capacity of 11.25 MW and upgrade of the control systems and other electromechanical equipment.
- (b) *Improve stability and reliability of the power system*, through financing and support for, installation of; (i) static voltage compensators (SVC's) at select substations to reduce overvoltage created by low loading on the transmission lines; and (ii) power system stabilizers and governing systems at select hydro-power stations.
- (c) *Improvements in the Operational Performance of EUCL*, through financing and support for, extension of EUCL's smart meter program to the distribution network including:
 - (i) completing the installation of smart meters for select EUCL large and medium size consumers;
 - (ii) start a program of installation of smart meters on network distribution transformers;
 - (iii) conduct installation of high current smart prepayment meters, both for medium voltage (MV) and low voltage (LV) consumers, to gradually shift identified post-paid customers to prepayment;

- (iv) purchase and installation of test benches for both pre-paid and post-paid meters; and
- (v) installation of a comprehensive electricity transmission and distribution network geographical information system (GIS).

Part 3. Increasing Access to Off-Grid Electricity and Clean Cooking Solutions

- (a) *Increasing Off-Grid Electricity Access*, through financing and support for:

Results Based Financing Facility to Off-grid Solar Companies (OSCs) (“RBF-OSC Facility”) through provision of results-based partial grants (“OSC Grants”) to eligible OSCs to facilitate the sale of eligible solar systems and the provision of after sale services to final beneficiaries (qualifying households and micro-enterprises), and Incremental Operating Costs of BRD for management of the RBF-OSC Facility as are not otherwise recovered by BRD through a fee charged to the eligible OSCs.

- (b) *Increasing Access to Clean Cooking Solutions*, through financing and support for:

Results Based Financing Facility for Clean Cooking Solutions (“RBF-CCS Facility”) through provision of results-based partial grants (“CCS Grants”) to Eligible Enterprises to facilitate the sale of eligible cooking technologies and products to final beneficiaries (qualifying households), and Incremental Operating Costs of BRD for management of the RBF-CCS Facility as are not otherwise recovered by BRD through a fee charged to the Eligible Enterprises.

Part 4. Technical Assistance, Institutional Capacity Building and Implementation Support

- (a) *Project Implementation support*, including hiring of additional staff in EDCL and in the PCU and sector consultants to continue to support sector management and coordination.
- (b) *Technical Assistance and impact evaluation* including, *inter alia*; (i) sector studies aimed at improving the efficiency of the energy sector performance; (ii) impact evaluation studies to help the sector make appropriate decisions during and after project implementation; (iii) policy and advisory notes required to inform sector decisions; and (iv) gender-specific activities.
- (c) *Capacity Building* across the energy sector agencies including, *inter alia*, in the following areas: energy sector planning, technical skills development, audit, compliance and gender.
- (d) *Technical assistance and institutional capacity building to support an enabling environment for the clean cooking sector development*, including, *inter alia*:

- (i) an awareness-raising and behavior change campaign;
- (ii) market facilitation and policy and regulation review and improvement;
- (iii) stove testing and product development;
- (iv) monitoring and verification of the RBF-CCS Facility;
- (v) innovations subgrant through competitive processes to support innovative technological, business, financing approaches with preferential support to female entrepreneurs (“Innovation Grants”); and
- (vi) Incremental Operating Costs of EDCL for providing technical assistance for cooking sector development.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Energy Development Corporation Limited (EDCL)

1. The Recipient shall:
 - (a) maintain, at all times during the implementation of the Project, the EDCL with adequate resources, facilitation, staff, powers and functions as satisfactory to the Association for purposes of implementing the Project as further detailed in the EDCL-Operations Manual;
 - (b) designate EDCL with responsibility for overall Project coordination and implementation of Parts 1, 2 and 4, including support to BRD in implementation of Part 3 of the Project (“EDCL’s Respective Part of the Project”);
 - (c) cause EDCL to maintain technical and managerial teams responsible for supporting implementation of EDCL’s Respective Part of the Project;
 - (d) cause EDCL to 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) cause EDCL and 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) cause EDCL to, 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; and
 - (g) cause EDCL to 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 (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).

Program Coordination Unit (PCU)

2. The Recipient shall:

- (a) establish and, throughout Project implementation, maintain, within EDCL, a program coordination unit (“Program Coordination Unit” or “PCU”), to be responsible for providing overall leadership to the Project; and
- (b) ensure that throughout Project implementation, the PCU has adequate resources and staffing with qualifications, experience and under terms of reference acceptable 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.

Development Bank of Rwanda (BRD) SPIU

3. The Recipient shall:

- (a) designate BRD with responsibility for implementation of Part 3 of the Project, with technical support from EDCL;
- (b) maintain, within BRD, the Single Project Implementation Unit (BRD-SPIU) throughout Project implementation, to include separate Project

managers for each of Part 3(a) and Part 3(b), one environmental risks management specialist, one social risks management specialist, one financial management specialist, and such other specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and

- (c) ensure that throughout Project implementation, the BRD-SPIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the BRD-Operations Manual.

Project Steering Committees

- 4. The Recipient shall establish, and maintain during Project implementation:
 - (a) a Grid Electricity Project Steering Committee (GE-PSC) to be responsible for providing high-level oversight and strategic guidance to Part 1, Part 2 and Part 4 of the Project. The GE-PSC shall be chaired by the Permanent Secretary of MININFRA and be comprised of, *inter alia*, the Permanent Secretary or Director General of MINECOFIN, and senior managers of REG, EUCL, EDCL, BRD, and such other members and mandate acceptable to the Association as further detailed in the EDCL-Operations Manual. The GE-PSC will meet at least once every calendar semester during Project implementation to review implementation progress, discuss emerging challenges, and identify mitigating measures; and
 - (b) an Off-Grid and Clean Cooking Project Steering Committee (OG/CC-PSC) to be responsible for providing high-level oversight and strategic guidance to Part 3 of the Project. The OG/CC-PSC shall be chaired by the Permanent Secretary of MININFRA and be comprised of, *inter alia*, the Permanent Secretary or Director General of MINECOFIN, senior managers of REG, EUCL, EDCL, BRD, representatives from the Ministry of Environment, RSB, and Local Administrative Entities Development Agency (LODA), and such other members and mandate acceptable to the Association as further detailed in the BRD-Operations Manual. The OG/CC-PSC will meet at least once every calendar semester during Project implementation to review implementation progress, discuss emerging challenges, and identify mitigating measures.

B. Project Operations Manuals - POM

- 1. The Recipient shall ensure that:
 - (a) Part 1, Part 2 and Part 4 of the Project is carried out by EDCL in accordance with the requirements set forth in the EDCL Operations Manual;

- (b) Part 3(a) of the Project is carried out by BRD, with the support of EDCL, in accordance with the requirements set forth in the Off-Grid Solar RBF Operations Manual (OGS-RBF Operations Manual); and
 - (c) Part 3(b) of the Project is carried out by BRD, with the support of EDCL, in accordance with the requirements set forth in the Clean Cooking Solutions RBF Operations Manual (CCS-RBF Operations Manual) (the OGS-RBF Operations Manual and the CCS-RBF Operations Manual collectively the “BRD-Operations Manual”).
2. Each of the EDCL Operations Manual and the BRD-Operations Manual (collectively, the “Project Operations Manual” or “POM”) shall set out detailed guidelines, methods and procedures for the implementation of each PIE’s respective part 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 between various Project stakeholders, in particular the PSC, the PCU, the technical and management teams within EDCL and the BRD-SPIU, (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) external audit; (g) anti-corruption and fraud mitigation measures; (h) environmental and social risks management aspects; (i) detailed procedures, eligibility, selection/eligibility criteria and flow of funds for the RBF Facilities and the Innovation Grants; (j) reporting requirements, monitoring and evaluation arrangements, including procedures and reporting formats; and (k) such other arrangements and procedures as shall be required for the effective implementation of the Project.
3. The Recipient shall ensure that the POM or any provision thereof is not assigned, amended, abrogated or waived without prior written approval of the Association.
4. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

C. Subsidiary Agreements.

1. *EDCL Subsidiary Agreement.* To facilitate the carrying out of EDCL’s Respective Part of the Project, the Recipient shall make available to EDCL part of the proceeds of the Financing allocated from time to time to Categories (1), (2), and (4) of the table set forth in Section III.1 of this Schedule and under a subsidiary agreement (“EDCL Subsidiary Agreement”) between the Recipient and EDCL, under terms and conditions approved by the Association, which shall include the following: (a) the principal amount of the financing made available under the EDCL Subsidiary Financing Agreement; (b) the financing terms of the subsidiary financing to be made available under the EDCL Subsidiary Financing Agreement;

and (c) the right of the Recipient to suspend or terminate the right of EDCL to use said proceeds of the said financing, and to obtain a refund of all or any part of the amount of the subsidiary financing then withdrawn, upon the failure of the EDCL to perform any of its obligations under the EDCL Subsidiary Financing Agreement.

2. *BRD Subsidiary Agreement.* To facilitate the carrying out of Part 3 of the Project, the Recipient shall make available to the BRD part of the proceeds of the Financing allocated from time to time to Category (3) of the table set forth in Section III.1 of this Schedule under a subsidiary financing agreement between the Recipient and BRD (the “BRD Subsidiary Financing Agreement”), under terms and conditions approved by the Association, which shall include the following: (a) the principal amount of the financing made available under the BRD Subsidiary Financing Agreement; (b) the financing terms of the subsidiary financing to be made available under the BRD Subsidiary Financing Agreement; and (c) the right of the Recipient to suspend or terminate the right of the BRD to use said proceeds of the said financing, and to obtain a refund of all or any part of the amount of the subsidiary financing then withdrawn, upon the failure of BRD to perform any of its obligations under the BRD Subsidiary Financing Agreement.
3. The Recipient shall exercise its rights under each of the EDCL Subsidiary Agreement and the BRD Subsidiary Agreement (collectively, 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 the Subsidiary Agreements or any of their provisions.

D. RBF Facilities and Innovation Grants

1. The Recipient shall cause BRD and EDCL to avail the RBF Facilities under Part 3 and Innovation Grants under Part 4(D)(v) respectively (“Sub-financing”) to Grant Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the BRD Operations Manual and the EDCL Operations Manual respectively.
2. The Recipient shall cause BRD and EDCL respectively to 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 Recipient shall cause the Project Implementing Entities to exercise their rights under each Sub-financing Agreement 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 ensure that the Project Implementing Entities shall not assign, amend, abrogate or waive any Sub-financing Agreement or any of its provisions.

E. 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, and 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, and cause the Project Implementing Entities to 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 Financing Allocated (expressed in JPY)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services and Incremental Operating Costs under Part 1 of the Project (EDCL)	4,848,100,000	32,700,000	Such percentage as agreed to among the Recipient and the Association, as per the Agreed AWPB (of which 50%

			from Credit & 50% from Grant)
(2)			
(a) Goods, works, non-consulting services, and consulting services under Part 2(a) of the Project (EDCL)	592,545,000	4,000,000	100% (50% from Credit & 50% from Grant)
(b) Goods, works, non-consulting services, consulting services and Incremental Operating Costs under Part 2(b) and (c) of the Project (EDCL)	1,023,490,000	6,900,000	100% (50% from Credit & 50% from Grant)
(3)			
(a) OSC Grants and Incremental Operating Costs under Part 3(a) of the Project (BRD)	808,020,000	5,460,000	
(b) CCS Grants and Incremental Operating Costs under Part 3(b) of the Project (BRD)	538,680,000	3,640,000	100% (50% from Credit & 50% from Grant)
(4)			
(a) Non-consulting services, consulting services, Training and Incremental Operating Costs	107,735,000	728,000	Such percentage as agreed to among the Recipient and the

under Part 4(a) of the Project (EDCL)			Association, as per the Agreed AWPB (of which 50% from Credit & 50% from Grant)
(b) Non-consulting services, consulting services, Training and Incremental Operating Costs under Parts 4(b) and 4(c) of the Project (EDCL)	161,630,000	1,172,000	100% (50% from Credit & 50% from Grant)
TOTAL AMOUNT	8,080,200,000	54,600,000	

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, except that withdrawals up to an aggregate amount not to exceed JPY 1,616,040,000 may be made, from the Credit and SDR 10,920,000 from the Grant for payments made prior to this date but on or after June 1, 2020, for Eligible Expenditures under Category 1, 2 and 4, in pro-rata basis;
 - (b) for payments made under Category 2(a), until and unless the Recipient has, in form and substance satisfactory to the Association, completed all of the following actions:
 - (i) prepared and submitted to the Association a revised written audit report of the Ntaruka HPP, its appurtenance and its performance history, that reviews and evaluates the Ntaruka HPP's operation and maintenance procedures and provides findings and recommendations for any remedial work or safety-related measures necessary to rehabilitate Ntaruka HPP (the "Ntaruka HPP Audit Report"). The Ntaruka HPP Audit Report shall be prepared and completed by qualified independent experts, including at least one hydrologist, and finalized in accordance

with the findings of the experts and comments provided by the Association to meet the requirements of ESS4, including all the information listed in ESS4, Annex 1, paragraph 14;

- (ii) agreed with the Association on a remedial action plan to rehabilitate the Ntaruka HPP based in part on the recommendations contained in the Ntaruka HPP Audit Report (the “Ntaruka Action Plan”);
 - (iii) disclosed and consulted with stakeholders regarding the Ntaruka HPP Audit Report and Ntaruka HPP Action Plan. Such consultations shall be consistent with ESS10 and will be conducted in a manner appropriate under the circumstances of a possible ongoing COVID-19 pandemic; and
- (c) for payments made under Category 3(b), unless and until the Category 1 of the ESMAP Grant under the Grant Agreement has been fully disbursed.

2. The Closing Date is December 31, 2026.

Section IV. Other Undertakings

1. The Recipient shall cause EDCL, no later than ninety (90) days after receipt, to deposit into the Electricity Connections Contributions Account the cash contributions for new electricity connections related to the Project.

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

Section I. Definitions

1. “Agreed AWPB” means the program of activities and budget under Part 1 (*Increasing Access to Grid Electricity*) and Part 4 (*Technical Assistance, Institutional Capacity Building and Implementation Support*) of the Project agreed each Fiscal Year between the Recipient and the Association for implementation during the following Fiscal Year, in accordance with Section I.A.1. of Schedule 2 to this Agreement, as the same may be revised from time to time in accordance with said Section.
2. “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.
3. “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.
4. “BRD” means the Development Bank of Rwanda, established and operating pursuant to Memorandum and Articles of Association approved by Resolution No. 8 of the meeting of shareholders of the Development Bank of Rwanda, dated March 23, 2012.
5. “BRD Subsidiary Agreement” means the agreement to be entered into between the Recipient and BRD and referred to in Section I.C. of Schedule 2 to this Agreement.
6. “BRD Subsidiary Financing” means the proceeds of the Financing to be provided to BRD under Categories (3) of the Financing for purposes of carrying out Part 3 of the Project, in accordance with the BRD Subsidiary Agreement and the BRD Operations Manual, and referred to in Section I.C. of Schedule 2 to this Agreement.
7. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. “Co-financier” means the Agence Française de Développement (AFD).
9. “Co-financing” means, for purposes of paragraph 14 of the Appendix to the General Conditions, an amount of [Euro 80,000,000], to be provided by the Co-financier to assist in financing the Project.

10. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
11. “EDCL” or “Energy Development Corporation Limited” means the Recipient's limited liability company incorporated under the Companies Act Law No. 07/2009 of 27/04/2009 and operating under the Recipient’s Law No. 17/2018 of April 13, 2018, governing companies, or any legal successor thereto.
12. “EDCL Subsidiary Agreement” means the agreement to be entered into between the Recipient and EDCL and referred to in Section I.C. of Schedule 2 to this Agreement.
13. “EDCL Subsidiary Financing” means the proceeds of the Financing to be provided to EDCL under Categories (1) (2) and (4) of the Financing for purposes of carrying out Part 1, Part 2 and Part 4 of the Project, in accordance with the EDCL Subsidiary Agreement and the EDCL Operations Manual, and referred to in Section I.C. of Schedule 2 to this Agreement.
14. “Electricity Connections Contributions Account” means the account held by EDCL’s “Electricity Access Roll-out Program” at the National Bank of Rwanda (BNR) for the purposes of receiving transfers from EUCL of customer contributions towards the connection costs, as collected by EUCL as part of its general bill collection.
15. “Eligible Enterprises” means enterprises engaged in the production and/or marketing and sale of improved and modern cooking solutions and selected in accordance with criteria laid out in the BRD Operations Manual or EDCL Operations Manual for the receipt of CCS Grants under Part 3(b) or Innovation Grants under Part 4(d)(v) of the Project.
16. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated July 28, 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.
17. “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.
18. “Energy Utility Corporation Limited” or “EUCL” means the Recipient's limited liability company incorporated under the Companies Act Law No. 07/2009 of 27/04/2009 and operating under the Recipient’s Law No. 27/2018 of April 13, 2018, governing companies, or any legal successor thereto.
19. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
20. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
21. “Grant Beneficiary” means each of eligible Off-grid Solar Companies under Part 3(a) or Eligible Enterprises under Part 3(b) or Part 4(d)(v) of the Project, together referred to as “Grant Beneficiaries”.
22. “Incremental Operating Costs” means the reasonable incremental operating expenses, approved by the Association, incurred by a Project Implementing Entity on account of the Project implementation, management and monitoring, including salaries of Project implementation support staff, but excluding the salaries of officials and public servants of the Recipient’s civil service.
23. “Ntaruka HPP Audit Report” has the meaning given to that term in Schedule 2, Section III, paragraph B.1(b)(i) to this Agreement.
24. “Ntaruka HPP Action Plan” has the meaning given to that term in Schedule 2, Section III, paragraph B.1(b)(ii) to this Agreement.
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 Entities” means collectively EDCL and BRD.

27. “Project Implementing Entity” means each of EDCL and BRD.
28. “RBF Facilities” means the Results Based Financing Facility to eligible Off-grid Solar Companies under Part 3(a) of the Project and the Results Based Financing Facility for Clean Cooking Solutions to Eligible Enterprises under Part 3(b) of the Project.
29. “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.
30. “Sub-project” means a sub-project to be identified and appraised by BRD or EDCL as relevant in accordance with the BRD Operations Manual and the EDCL Operations Manual respectively for purposes of receipt of Sub-financing under the RBF Facilities or the Innovation Grants as applicable.
31. “Training” 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.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

References in the General Conditions to “Project Implementing Entity” are replaced, *mutatis mutandis*, with the term “Project Implementing Entities”;

References in the General Conditions to “Subsidiary Agreement” are replaced, *mutatis mutandis*, with the term “Subsidiary Agreements”;