

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4674-RW

Financing Agreement

(Land Husbandry, Water Harvesting, and Hillside Irrigation Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 8, 2010

CREDIT NUMBER 4674-RW

FINANCING AGREEMENT

AGREEMENT dated February 8, 2010 entered into between the REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty one million four hundred thousand Special Drawing Rights (SDR 21,400,000) (variously, “Credit”, and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Agriculture and Animal Resources in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that an extraordinary situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.
- 4.02. The deadline for the effectiveness of the Project Co-financing Trust Fund Grant Agreement is six (6) months after the Effective Date.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Project Implementation Manual has been adopted by the Recipient in form and substance satisfactory to the Association.
 - (b) The annual work plan and budget for the Project for the First Fiscal Year of Project implementation referred to in Section V.B (a) of Schedule 2 to this Agreement has been furnished by the Recipient to the Association for approval.
 - (c) The account referred to in Section V.A (a) of Schedule 2 to this Agreement has been established or designated by the Recipient and the first of the deposits referred to in Section V.A (b) of such Schedule has been made by the Recipient.

(d) The accountant referred to in Section I.A.5 of Schedule 2 to this Agreement has been appointed by the Recipient.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Rwanda
Facsimile:

250-252-57-75-81

6.03. The Association's Address 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)	1-202-477-6391

AGREED at Kigali, Rwanda, as of the day and year first above written.

REPUBLIC OF RWANDA

By /s/ John Rwangombwa

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Omowunmi Ladipo

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the productivity and commercialization of hillside agriculture in target areas in the Recipient's territory.

The Project constitutes part of the first phase of the Program and consists of the following parts:

1. Capacity Development and Institutional Strengthening
 - (a) Strengthening of farmer organizations and cooperatives, including organizational diagnoses, capacity building, and institutional development with respect to governance, management, and market orientation.
 - (b)
 - (i) establishment of an implementation framework for an extension delivery system, including participatory extension, farmer-extension agent interactions, and evaluation and validation of results of new technologies and practices;
 - (ii) carrying out of farmer support activities, including extension activities with respect to pest disease monitoring, identification, and reporting and horticultural production in irrigated command areas, for purposes of meeting external certification standards, and provision of other certification-related support; and
 - (iii) provision of institutional, organizational, and human resource support for such farmer support activities, including the use of performance contracts and preparation of training materials.
 - (c)
 - (i) strengthening of marketing infrastructure and capacity building, including (A) establishment of linkages between entrepreneurs and smallholder organizations and a horticultural entrepreneur association, (B) provision of technical assistance with respect to auditing and external certification of horticultural farmers, and (C) development of post-harvest infrastructure, such as packing houses and cold storage rooms; and

- (ii) strengthening of rural access to finance, including (A) product development in savings, leasing, other value chain financing, and index-based weather insurance, including rehabilitation of ground weather stations, and related capacity building of financial service providers and producers, (B) capacity building of and establishment of linkages between rural communities, community and producer organizations, and rural financial service providers, and (C) promotion of long-term sustainable financial services to rural communities, including product development and capacity building, through the Access to Finance Rwanda Initiative following its establishment.
- (d) Institutional strengthening and capacity building of the Ministry of Agriculture and Animal Resources and related agencies in hillside intensification and sustainable land management, including establishment of a geographic information system-based information framework and provision of support to the regulatory environment for sanitary and phytosanitary implementation.

2. Infrastructure

Development of the following infrastructure for hillside intensification:

- (a) participatory and comprehensive land husbandry technologies and infrastructure in a sub-watershed setting, including for purposes of soil conservation and downstream reservoir protection.
- (b) water harvesting infrastructure, including valley dams and reservoirs.
- (c) water conveyance structures, including primary and secondary water distribution networks and field-level basin or furrow irrigation applications, and command area development of irrigated hillsides.

3. Support to Sector-Wide Approach Implementation

Support to the implementation of a Sector-Wide Approach in agriculture, including establishment of monitoring and evaluation and management information systems and inter-ministerial coordination, and provision of support to Project and Program implementation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Agriculture and Animal Resources

1. The Ministry of Agriculture and Animal Resources shall be responsible for Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, in accordance with the following institutional arrangements.

Inter-Ministerial Steering Committee

2. The Recipient shall establish, no later than one (1) month after the Effective Date, and thereafter maintain, throughout Project implementation, the Inter-Ministerial Steering Committee, comprising a representative of the Ministry of Agriculture and Animal Resources as chair, and representatives of the Ministry of Finance and Economic Planning, the Ministry of Commerce and Cooperatives, the Ministry of Infrastructure, the Ministry of Natural Resources, and with an institutional framework, functions, and resources satisfactory to the Association.
3. The Inter-Ministerial Steering Committee shall be responsible for Project policy and strategic orientation.

Program 1 Implementation Team

4. The Recipient shall maintain throughout Project implementation, the Program 1 Implementation Team, with an institutional framework, functions, and resources satisfactory to the Association, including competent personnel in adequate numbers, including a manager, a financial management specialist, a procurement specialist, a monitoring and evaluation specialist, and a hillside irrigation specialist.

5. The Recipient shall appoint to the Program 1 Implementation Team, and thereafter maintain throughout Project implementation, in accordance with Section III of this Schedule, the following staff with qualifications, experience, and terms of reference satisfactory to the Association:
 - (a) an accountant;
 - (b) no later than one (1) month after the Effective Date, an agronomist, an agribusiness specialist, an environmental specialist, a rural sociologist, and a dynamic information framework specialist; and
 - (c) no later than three (3) months after the Effective Date, a dam specialist.
6. The Program 1 Implementation Team shall be responsible for day-to-day Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement.

District Implementation Support Teams

7. The Recipient shall (a) establish in each District including a site targeted under the Project, no later than one (1) month after the Effective Date, and thereafter maintain throughout Project implementation, a District Implementation Support Team, with an institutional framework, functions, and resources satisfactory to the Association, including competent personnel in adequate numbers, including an accountant, and (b) for each such additional District identified during Project implementation, establish, prior to Project implementation in such District, and thereafter maintain throughout Project implementation, such Team.
8. The District Implementation Support Teams shall be responsible for District-level Project implementation.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Manual

1. The Recipient:
 - (a) shall: (i) adopt a Project Implementation Manual, agreed with the Association and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation; and (ii) thereafter ensure that the Project is carried out in accordance with such Manual; and
 - (b) except as the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementation Manual, and those of this Agreement, the latter shall prevail.

D. Safeguards

1. (a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework, any Environmental Management Plans, the Small Dam Guidelines, any Dam Safety Plans, the Resettlement Policy Framework, any Resettlement Action Plans, and the Pest Management Plan; and
 - (b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. Wherever required in accordance with the provisions of such Frameworks, the Recipient shall, for the purposes of any Subproject, and prior to implementation thereof, proceed to have an Environmental Management Plan, Resettlement Action Plan, or Dam Safety Plans in accordance with the provisions of paragraph 8 (b) of this Part D, as the case may be,
 - (a) prepared in form and substance satisfactory to the Association; and

- (b) except as otherwise agreed with the Association, submitted to the Association for review and approval, and thereafter adopted and locally disclosed.
- 3. Without limitation upon its other reporting obligations under Section II.A.1 (a) of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with such Frameworks and Plans, giving details of:
 - (a) measures taken in furtherance of such Frameworks and Plans;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Frameworks and Plans; and
 - (c) remedial measures taken or required to be taken to address such conditions.
- 4. The Program 1 Implementation Team shall be responsible for the preparation, as the case may be, implementation, and monitoring and evaluation of such Frameworks and Plans.
- 5. In the event of any conflict between the provisions of any such Framework or Plan, and those of this Agreement, the latter shall prevail.

Dam Safety

Small and Large Dams

- 6. The Recipient shall:
 - (a) furnish to the Association for review, prior to the issuance of a request for proposals relating to a contract for the provision of technical services relating to the investigation, design, or construction or the commencement of operations of a dam, terms of reference satisfactory to the Association for such contract, and

appoint for the provision of such services professionals with qualifications and experience satisfactory to the Association;

- (b) furnish to the Association for review, no later than 15 days after the completion or receipt of each such report, all reports relating to dam safety prepared by the Recipient, any independent specialists assessing a dam under construction or targeted under the Project, or professionals appointed by the Recipient to design, construct, fill, and start up a dam; and
 - (c) furnish to the Association for review, as soon as available, all information relevant to dam safety, including cost estimates, construction schedules, procurement procedures, technical assistance arrangements, environmental and social assessments, along with the dam proposal, technical aspects, inspection reports, and any actions plans relating to dam safety prepared by the Recipient.
7. The Recipient shall furnish to the Association for review, no later than three (3) months prior to the Closing Date, operational procedures with respect to dams constructed or targeted under the Project, including retention of written instructions for flood operations and emergency preparedness at such dams at all times, incorporation of necessary modifications to technical criteria for the evaluation of dam safety further to the advent of new technology or information, and application of such revised criteria to such dams and other dams under the Recipient's jurisdiction as necessary.

Large Dams

8. The Recipient, for the purposes of any Large Dam Subproject:
- (a) (i) shall establish, prior to the investigation phase of the subject Large Dam and in accordance with the provisions of Section III of this Schedule, and provide administrative support to, a Panel comprising at least three (3) experts acceptable to the Association and with terms of reference acceptable to the Association for review of the investigation, design, and construction and the commencement of operations of the subject Large Dam, such terms of reference including review of and provision of advice relating to safety and other critical aspects of the subject Large Dam, its appurtenant structures, the catchment area, the area surrounding the reservoir, and downstream areas,

- (ii) (A) shall convene, beginning as early in Large Dam Subproject preparation as possible, periodic Panel meetings and reviews, which shall continue through the investigation, design, construction, and initial filling and start-up phases of the subject Large Dam, (B) shall inform the Association in advance of each such meeting such that the Association may participate in such meeting as an observer, and (C) shall furnish to the Association for review, no later than 15 days after the receipt of each such report, a copy of the Panel's report of its conclusions and recommendations following each such meeting, and
 - (iii) shall furnish to the Association for review, following the initial filling of the reservoir and the start-up of the subject Large Dam, a copy of the Panel's report of its findings and recommendations in relation to such filling and start-up, and may disband the Panel in consultation with the Association following such review if no significant difficulties have been encountered in the filling and start-up;
- (b) shall submit to the Association for review, and thereafter take all measures required to address the conclusions and recommendations of such review and adopt, Dam Safety Plans, of such scope and detail as the Association shall have reasonably requested and which shall have been reviewed by the Panel and reflect the conclusions and recommendations of such review, as follows:
 - (i) (A) a Dam Construction Supervision and Quality Assurance Plan, (B) a broad framework Dam Emergency Preparedness Plan and an estimate of funds needed to prepare such Plan in detail, and (C) a preliminary Dam Operation and Maintenance Plan, all along with the annual work plan and budget referred to in Section V.B of this Schedule reflecting the subject Large Dam Subproject,
 - (ii) a Dam Instrumentation Plan during the design phase of the subject Large Dam, and prior to bid tendering under the Large Dam Subproject,

- (iii) a Dam Emergency Preparedness Plan no later than one (1) year prior to the initial filling of the subject Large Dam, and
- (iv) a Dam Operation and Maintenance Plan no later than six (6) months prior to the initial filling of the subject Large Dam;
- (c) shall prequalify bidders prior to bid tendering under the Large Dam Subproject; and
- (d) shall have periodic dam safety inspections performed by independent professionals, with qualifications, experience, and terms of reference satisfactory to the Association and who have not been involved in the investigation, design, construction, or operation of the subject Large Dam, following the initial filling and start-up of the subject Large Dam.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar year, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

No.	Indicator
1.	Increase in productivity of targeted irrigated command areas (Dollars / hectare)
2.	Increase in productivity of targeted non-irrigated command areas (Dollars / hectare)
3.	Increase in share of commercialized products from target areas (Percentage)

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. To this end, the Recipient shall, no later than three (3) months after the Effective Date, install adequate software for purposes of financial management under the Project.
3. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
4. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
5. To this end, the Recipient shall, no later than one (1) month after the Effective Date, appoint, in accordance with the provisions of Section III of this Schedule, external financial auditors, with qualifications, experience, and terms of reference satisfactory to the Association.

Section III. Procurement**A. General**

1. **Goods.** All goods required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

- 3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods

- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting
(d) Community Participation in Procurement

- 3. **Modifications to National Competitive Bidding Procedures.** National Competitive Bidding may be used subject to the following additional procedures:

- (a) Eligibility

The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed in whole or in part by the Association for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation. Where joint ventures are permitted, the joint ventures shall confirm joint and several liability. Recipient-owned entities shall be eligible to participate in bidding for contracts if they can establish that

they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

(b) Bid Validity Period

Any extension of the bid validity period shall be granted only under exceptional circumstances and for the minimum period required to complete the evaluation, obtain required approvals, and award the contract.

(c) Bid Security

Bid security may not be required for any procurement under contracts of less than \$100,000 equivalent.

(d) Qualification Criteria

Exclusion from participation in bidding for contracts as a result of debarment by the Recipient may only result from a violation on clearly identified grounds of fraud and corruption in accordance with a fair and transparent process resulting in a final decision.

(e) Standard Bidding Documents

National standard bidding documents, in form and substance satisfactory to the Association, shall be used.

(f) Bid Opening

Bids shall be opened in public, at the same time, or immediately after the deadline for the submission of bids. A copy of the minutes of the public bid opening shall be provided promptly to all bidders and the Association with respect to contracts subject to Prior Review by the Association.

(g) Rejection of All Bids and Re-bidding

All bids shall not be rejected, nor new bids solicited, without the prior written agreement of the Association.

(h) Confidentiality

Disclosure following the public opening of bids of the examination, clarification, and evaluation of bids and the recommendation of awards shall not be permitted until publication of the notice of award.

(i) Price Adjustment

Price adjustments may be permitted in the case of contracts for goods or works involving a delivery schedule or completion period, as the case may be, of not less than eight (8) and not more than eighteen (18) months, when market circumstances generate high commercial risks for both parties to the contract.

(j) Right to Inspect and Audit

Each contract financed from the proceeds of the Financing shall provide that the suppliers, contractors, and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the procurement and performance of the contract and to have such accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the supplier, contractor, or subcontractor of such provision may amount to an obstructive practice within the meaning of paragraph 7 of the Anti-Corruption Guidelines.

(k) Fraud and Corruption

The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if the Association determines at any time that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a contract financed by the Association.

C. Particular Methods of Procurement of Consultants' Services

- 1. Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-Based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(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) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category” or “Categories”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods	3,300,000	100
(2) Works	9,300,000	100
(3) Consultant Services	5,500,000	100
(4) Training	1,500,000	100
(5) Project Preparation Advance	600,000	Amount payable pursuant to Section 2.07 of the General Conditions
(6) Unallocated	1,200,000	
TOTAL AMOUNT	21,400,000	

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 date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$1,000,000 equivalent may be made for payments made prior to this date but on or after November 1, 2009, for Eligible Expenditures.
2. The Closing Date is June 30, 2014.

Section V. Other Undertakings

A. Counterpart Funding

Except as the Recipient and the Association shall otherwise agree, the Recipient shall:

- (a) establish or designate, and maintain throughout Project implementation, an account in Rwandan Francs, in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association;
- (b) deposit into such account, on a quarterly basis throughout Project implementation, an amount equivalent to \$62,500, or such other amount

as agreed with the Association, required to finance the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the Credit; and

- (c) ensure that the funds deposited into such account in accordance with the provisions of subparagraph (b) of this Part A are used exclusively to finance expenditures under the Project other than those financed from the proceeds of the Credit.

B. Annual Work Plans and Budgets

The Recipient shall:

- (a) furnish to the Association for approval, as soon as practicable, the annual work plan and budget for the Project for the First Fiscal Year of Project implementation, of such scope and detail as the Association shall have reasonably requested, and thereafter no later than March 31 of each year, such work plan and budget for the Project for each subsequent Fiscal Year of Project implementation; and
- (b) thereafter ensure that the Project is carried out in accordance with such plan and budget.

C. Annual Reviews

The Recipient shall review with the Association, no later than one (1) month after the transmittal to the Association of each Project Report, or such later date as the Association shall request, such Report, and, thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such Report and the Association's views on the matter.

D. Midterm Review

The Recipient shall:

- (a) carry out jointly with the Association, no later than 24 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of Schedule 2 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress in procurement and disbursement; (v) progress in the implementation of safeguards instruments; (vi) Project implementation arrangements; and (vii) the need to make any adjustments to the Project and reallocate funds to improve performance;
- (b) prepare and furnish to the Association, at least three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review, jointly with the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such report and the Association's views on the matter.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing March 15, 2020 to and including September 15, 2029	1
commencing March 15, 2030 to and including September 15, 2049	2

* 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 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Access to Finance Rwanda Initiative” means the Recipient’s program, to be established and designed to increase the number of poor people in Rwanda with access to financial services.
2. “Agriculture Sector Working Group” means the Recipient’s entity, established and operating pursuant to the Recipient’s Economic Development and Poverty Reduction Strategy (as hereinafter defined), responsible for the policy and strategic orientation of the agriculture sector.
3. “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.
4. “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.
5. “Dam Construction Supervision and Quality Assurance Plan” means the Recipient’s plan setting out measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the construction of or work on the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.
6. “Dam Emergency Preparedness Plan” means the Recipient’s plan setting out measures, including clear statements on the responsibility for operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, for when facility failure is considered imminent or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in

consultation with the Association, and such term includes any schedules or annexes to such Plan.

7. “Dam Instrumentation Plan” means the Recipient’s plan setting out measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with Association, and such term includes any schedules or annexes to such Plan.
8. “Dam Operation and Maintenance Plan” means the Recipient’s plan setting out measures, including organizational structure, staffing, technical expertise, and training required, equipment and facilities needed, procedures, and funding arrangements, including long-term maintenance and safety inspections, for the operation and maintenance of the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.
9. “Dam Safety Plans” means, collectively, the: (i) Dam Construction Supervision and Quality Assurance Plan; (ii) Dam Emergency Preparedness Plan; (iii) Dam Instrumentation Plan; and (iv) Dam Operation and Maintenance Plan.
10. “District” means an administrative subdivision of the Recipient, established pursuant to the Recipient’s Organic Law No. 29/2005 of December 31, 2005.
11. “District Implementation Support Team” means the Recipient’s entity, to be established under the supervisory authority of the Ministry of Agriculture and Animal Resources (as hereinafter defined), responsible for District-level implementation of the Program (as hereinafter defined).
12. “Economic Development and Poverty Reduction Strategy” means the Recipient’s strategy, dated September 2007, prepared through a participatory process involving civil society and development partners, setting out its macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs, for the period from 2008-12.

13. “Environmental and Social Management Framework” means the Recipient’s framework, dated November 2009, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Framework.
14. “Environmental Management Plan” means the Recipient’s plan, to be agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of activities to be implemented under a Subproject (as hereinafter defined), offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.
15. “Fiscal Year” means the 12-month period from July 1 to June 30; provided, however, that, in the case of the first Fiscal Year of the Project (“First Fiscal Year”), the Fiscal Year period shall run from the date of this Agreement to June 30 next following.
16. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
17. “Inter-Ministerial Steering Committee” means the Recipient’s entity, under the supervisory authority of its Agriculture Sector Working Group and referred to in Section I.A.2 of Schedule 2 to this Agreement, responsible for the policy and strategic orientation of the Physical Resources and Food Production Program (as hereinafter defined).
18. “Large Dam” means a dam: (i) 15 meters or more in height; (ii) between 10 and 15 meters in height and presenting special design complexities; or (iii) under 10 meters in height and expected to reach or exceed 15 meters in height during operation.

19. “Large Dam Subproject” means a Subproject (as hereinafter defined) for purposes of construction of a Large Dam under Part 2 (b) of the Project.
20. “Ministry of Agriculture and Animal Resources” means the Recipient’s ministry at the time responsible for agriculture and animal resources.
21. “Ministry of Commerce and Cooperatives” means the Recipient’s ministry at the time responsible for cooperatives.
22. “Ministry of Finance and Economic Planning” means the Recipient’s ministry at the time responsible for finance and economic planning.
23. “Ministry of Infrastructure” means the Recipient’s ministry at the time responsible for infrastructure.
24. “Ministry of Natural Resources” means the Recipient’s ministry at the time responsible for the environment and natural resources.
25. “Panel” means the independent panel of experts referred to in Section I.D.8 (a) (i) of Schedule 2 to this Agreement.
26. “Pest Management Plan” means the Recipient’s plan, dated July 2009, agreed with the Association and setting out the measures to be taken for the development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.
27. “Physical Resources and Food Production Program” or “Program 1” means the Recipient’s program, part of the Second Strategic Plan for the Transformation of Agriculture (as hereinafter defined), designed to intensify and develop sustainable production systems.
28. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 16, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

30. “Program” means the program, part of the Physical Resources and Food Production Program, designed to increase the productivity and commercialization of hillside agriculture in Rwanda, and set forth or referred to in the letter dated October 12, 2009 from the Recipient to the Association.
31. “Program 1 Implementation Team” means the Recipient’s entity, under the supervisory authority of the Office of the Permanent Secretary (as hereinafter defined) and established and operating pursuant to the Memorandum of Understanding of November 27, 2008 between the Recipient, represented by the Ministry of Agriculture and Animal Resources, and development partners, responsible for the implementation of Program 1.
32. “Project Co-financing Trust Fund” means the trust fund to be established for purposes of co-financing for the Project.
33. “Project Co-financing Trust Fund Grant Agreement” means the agreement to be entered into between the Recipient and the Association, acting as administrator of the Project Co-financing Trust Fund, providing for the Project Co-financing Trust Fund Grant (as hereinafter defined).
34. “Project Co-financing Trust Fund Grant” means an amount of \$1,500,000 equivalent, to be provided by the Association, acting as administrator of the Project Co-financing Trust Fund, to assist in financing the Project.
35. “Project Implementation Manual” means the Recipient’s manual, referred to in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such Manual.
36. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on March 17, 2009 and on behalf of the Recipient on March 20, 2009.
37. “Resettlement Action Plan” means the Recipient’s plan, to be agreed with the Association and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under a Subproject (as hereinafter defined), in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.

38. “Resettlement Policy Framework” means the Recipient’s framework, dated July 2009, agreed with the Association and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under the Project, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Framework.
39. “Rwandan Franc” means the currency of the Recipient.
40. “Second Strategic Plan for the Transformation of Agriculture” means the Recipient’s plan, dated December 15, 2008, designed to provide the framework for engagement for agricultural development in Rwanda and which serves as the Recipient’s programmatic national agricultural strategy.
41. “Sector-Wide Approach” means an approach to development partner investment financing aimed at supporting a country-owned, comprehensive sector program in a flexible and coordinated manner.
42. “Small Dam” means a dam less than 15 meters in height and which would not otherwise qualify as a Large Dam pursuant to the provisions of paragraph 18 (ii) or (iii) of this Section I.
43. “Small Dam Guidelines” means the Recipient’s guidelines, dated September 2005, setting out generic safety measures for the construction supervision and quality assurance, instrumentation, and operation and maintenance of, and emergency preparedness in relation to, Small Dams, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Guidelines.
44. “Strategic Planning and Program Coordination Unit” means the Recipient’s entity, under the supervisory authority of the Ministry of Agriculture and Animal Resources and established and operating pursuant to the Memorandum of Understanding of November 27, 2008 between the Recipient, represented by the Ministry of Agriculture and Animal Resources, and development partners, responsible for strategic planning in the sector and the coordination of the Second Strategic Plan for Agricultural Transformation.
45. “Subproject” means one (1) or more contracts under Part 1 (c) (i) (C), Part 1 (c) (ii) (A), and / or Part 2 of the Project, grouped together for procurement purposes.

46. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section V.B of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances 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 modifications to the General Conditions are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining un-withdrawn amount of the advance.”

2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility.* The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:
- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

 “‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

 - (b) The definition of the term “Taxes” is modified to read as follows:

 “‘Taxes’ includes imposts, levies, fees, and duties of any nature, other than those payable at the port of entry upon importation, whether in effect at the date of the Financing Agreement or imposed after that date.”
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