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**CREDIT A (Non-Concessional) NUMBER 7084-RW**  
**CREDIT B (Concessional) NUMBER 7085-RW**  
**GRANT NUMBER E017-RW**

# **Project Agreement**

**(Commercialization and De-Risking for Agricultural Transformation Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**RWANDA AGRICULTURE AND ANIMAL RESOURCES  
DEVELOPMENT BOARD (RAB)**

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## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and RWANDA ANGRICULTURE AND ANIMAL RESOURCES DEVELOPMENT BOARD (RAB) (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the Republic of Rwanda (“Recipient) and the Association, concerning Credit No. 7084-RW, Credit No. 7085-RW, and Grant no. E017-RW. The Association and the Project Implementing Entity hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the RAB Respective Part of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services, and other resources required for its Respective Part of the Project.

### **ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its Director General.
- 4.02. For purposes of Section 11.01 of the General Conditions: (a) the Association’s address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America; and

(b) the Association’s Electronic Address is:

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

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

P. O Box 5016  
Rubona, Huye District  
Huye - Rwanda; and

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

E-mail:

infos@rab.gov.rw

AGREED as of the later of the two dates written below.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Rolande Pryce*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Rolande Pryce

**Title:** Country Manager

**Date:** 29-Apr-2022

**RWANDA AGRICUCULTURE AND ANIMAL  
RESOURCES DEVELOPMENT BOARD (RAB)**

**By**

*Patrick Karangwa*

\_\_\_\_\_  
**Authorized Representative**

Patrick Karangwa

**Name:** \_\_\_\_\_

**Title:** Dr

**Date:** 10-May-2022

## SCHEDULE

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

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### 1. Single Project Implementation Unit

- (a) The Project Implementing Entity shall maintain throughout the period of implementation of the Project its Single Project Implementation Unit ("RAB-SPIU") with sufficient resources and staff in adequate numbers, each with terms of reference, qualification and experience acceptable to the Association, for the purpose of implementing the Project in addition to its other responsibilities, as further described the PIM.
- (b) Without limitation to the provisions of Section I.A.1(a) of this Schedule, the Project Implementing Entity shall recruit for the RAB-SPIU, no later than three (3) months after the Effective Date, the following additional staff dedicated for the Project, each with terms of reference, qualification and experience acceptable to the Association: (i) one financial management specialist; (ii) one internal auditor; (iii) two procurement specialists; (iv) one additional environmental risk management specialist and; (v) one additional social risk management specialist.
- (c) Without limitation to the provisions of Section I.A.1(a) of this Schedule, the Project Implementing Entity shall recruit or assign eight (8) environmental and social officers, to be deployed in accordance with the provisions of the ESCP, but at the latest, in each case, prior to the commencement of the works at the site where they are assigned.

##### 2. Business Development Fund

- (a) For the implementation of Part 1.3(a) and Part 1.3(c) of the Project, the Project Implementing Entity shall, not later than three (3) months after the Effective Date, and in any case before the commencement of any activities under Part 1.3(a) or Part 1.3(c) of the Project, enter into a contractual arrangement (the "Financing and Service Agreement") in form and substance acceptable to the Association with BDF (or another financial service provider or providers acceptable to the Association, in which case all references to BDF in this Agreement and the Financing Agreement shall be deemed to be references to such other financial service provider or providers), for the purpose of implementing the Project activities.
- (b) Without limitation to Section I.A.2(a) of this Schedule, the Financing and Implementation Agreement shall include, among others, the following provisions:

- (i) The Project Implementing Entity shall make part of the proceeds of the Financing allocated from time to time to Categories (2) and (3) of the Disbursement Table available to the BDF as a grant for the implementation of the Project activities under Part 1.3(a) and Part 1.3(c) respectively (collectively referred to as the “BDF Part of the Project”).
- (ii) The Project Implementing Entity shall ensure that the Financing and Service Agreement shall include at least the following provisions:
  - (A) BDF shall recruit before the commencement of the implementation of the BDF Part of the Project and thereafter maintain until completion of the BDF Part of the Project, one (1) environmental risk management specialist and one (1) social risk management specialist, on the basis of terms of reference, qualifications and experience acceptable to the Association.
  - (B) BDF shall (AA) implement the BDF Part of the 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 loan proceeds other than the Recipient and the Matching Grant Manual and the Innovation Challenge Fund Manual, as the case may be; (BB) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the BDF Part of the Project and the achievement of its objectives; (CC) (1) 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 BDF Part of the Project; and (2) at the Recipient’s or the Association’s or the Project Implementing Entity’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, the Association and the Project Implementing Entity; (DD) enable the Recipient, the Association and the Project Implementing Entity to inspect the BDF Part of the Project, its operation and any relevant records and documents; and (EE) prepare and furnish to the Recipient, the Association and the Project Implementing Entity all such information as the Recipient or the Association or the Project Implementing Entity shall reasonably request relating to the foregoing.

- (C) The Project Implementing Entity shall have the right to suspend or terminate the right of BDF to receive funds under the Financing and Service Agreement or obtain a refund of all or any part of the amount received under the Financing and Service Agreement, upon (AA) failure to perform any of its obligations under the Financing and Service Agreement; or (BB) the exercise of its remedies by the Association, resulting in the Project Implementing Entity not being able to receive or having to refund previously withdrawn funds under Categories (2) or (3) of the Disbursement Table.
- (iii) The Project Implementing Entity shall exercise its rights and carry out its obligations under the Financing and Service 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 not assign, amend, abrogate or waive the Financing and Service Agreement or any of its provisions.

**B. Implementation Arrangements**

**1. Project Implementation Manuals**

- (a) The Project Implementing Entity shall prepare the manual for the implementation of the Project with inputs from and collaboration with BRD, in accordance with terms of reference satisfactory to the Association and thereafter adopt such manual in form and substance and in a manner acceptable to the Association (the “Project Implementation Manual”).
- (b) Without limitation to the generality of Section I.B.1(a) of this Schedule, the Project Implementation Manual shall include the Administrative, Financial and Accounting Procedure Manual and shall be supplemented by the Innovation Challenge Fund Manual, the Matching Grant Manual and the Line of Credit Manual when they become due under this Agreement or the BRD Project Agreement and shall from such date be considered as part of the Project Implementation Manual even if they take the form of separate manuals.
- (c) The Project Implementing Entity shall carry out its Respective Part of the Project and its overall coordination role in accordance with the Project Implementation Manual.
- (d) In case of any conflict between the provisions of the Project Implementations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail and, except as the Association shall otherwise agree, neither the Recipient nor the Project Implementing Entities shall amend, abrogate or waive the Project Implementation Manual, nor any of its sub-parts or provisions.

## **2. Annual Work Plan and Budget**

- (a) The Project Implementing Entity shall, not later than one (1) month after the Effective Date for the Fiscal Year in which this Agreement shall become effective, and April 30 of each subsequent Fiscal Year, consolidate and furnish to the Association for the Association's no objection, a consolidated draft of its Annual Work Plan and Budget covering the annual program of activities proposed for implementation under the Project during the following Fiscal Year, the evidence of the readiness of such activities' environmental and social instruments and adequate staffing in accordance with the ESCP, and the proposed budget showing sources of financing for all budgeted costs. Starting from the second Fiscal Year of implementation of the Project, an assessment of the results achieved in the implementation of the activities included in the Annual Work Plan and Budget for the previous Fiscal Year will also be included in the draft of the Annual Work Plan and Budget if not already provided in the most recent Project Report at the time.
- (b) The Project Implementing Entity shall exchange views with the Association and the Recipient on each such proposed consolidated annual work plan and budget, consult with the Recipient and seek guidance from the PSC and take into account comments which the Association may have when finalizing its annual work plan and budget. The Project Implementing Entity shall adopt its finalized Annual Work Plan and Budget not later than one (1) month after the date mentioned in Section I.B.2(a) of this Schedule.
- (c) The Project Implementing Entity shall carry out its Respective Parts of the Project included in the Annual Work Plan and Budget for the following Fiscal Year. Annual Work Plans and Budgets are updated as needed on a quarterly basis and may be revised during the Fiscal Year to which they related, in each case with the prior written agreement of the Association.

## **3. Matching Grants for acquisition of assets and services in agricultural value chains**

- (a)
  - (i) For the implementation of Part 1.3(a) of the Project, the Project Implementing Entity shall, or shall cause BDF to, develop and adopt, no later than three (3) months after the Effective Date, a manual on the basis of terms of reference acceptable to the Association, containing selection criteria (and exclusions) and modalities, assessment requirements and procedures, and templates for the extension, assessment, monitoring and evaluation of grants to be provided under Part 1.3(c) of the Project, all in form and substance acceptable to the Association and in sufficient details to support compliance with the Project Implementing Entity's obligations under this Agreement and the Recipient's obligations under the Financing Agreement (the "Matching Grant Manual").
  - (ii) In case of any conflict between the provisions of the Matching Grant Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail, and except as the Association shall otherwise agree, none of the Recipient, the Project Implementing Entity or BDF shall amend, abrogate or waive any provision of the Matching Grant Manual.



- (b) For the implementation of Part 1.3(a) of the Project, the Project Implementing Entity shall cause BDF to make matching grants (each a “Matching Grant”) for the financing of sub-projects (each a “Matching Grant Sub-project”) to beneficiaries (each a “Matching Grant Beneficiary”) in accordance with eligibility criteria and procedures acceptable to the Association set forth in the manual for Matching Grants (“Matching Grant Manual”).
- (c) Without limitation to the provisions of Section I.B 3(b) of this Schedule, each Matching Grant shall be provided pursuant to a legal agreement signed BDF and the Matching Grant Beneficiary (each a “Matching Grant Agreement”), pursuant to which BDF shall obtain rights adequate to protect its interests and those of the Recipient, the Project Implementing Entity and the Association, including the right to:
  - (i) suspend or terminate the right of the Matching Grant Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Matching Grant Beneficiary’s failure to perform any of its obligations under the Matching Grant Agreement; and
  - (ii) require each Matching Grant Beneficiary to: (A) carry out its Matching Grant 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 loan proceeds other than the Recipient; (B) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (C) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Matching Grant Sub-project and the achievement of its objectives; (D) (1) 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 Matching Grant Sub-project; and (2) at the Project Implementing Entity’s, the Recipient’s or the Association’s or the Project Implementing Entity’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, the Association, the Project Implementing Entity and BDF; (E) enable the Recipient, the Association, the Project Implementing Entity and BDF to inspect the Matching Grant Sub-project, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient, the Association, the Project Implementing Entity and BDF all such information as the Recipient, the Association, the Project Implementing Entity or BDF shall reasonably request relating to the foregoing.

- (d) The Project Implementing Entity shall cause BDF to exercise its rights and carry out its obligations under each Matching Grant Agreement in such manner as to protect the interests of the Recipient, the Project Implementing Entity and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall ensure that BDF shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

#### **4. Establishment and Operation of the Innovation Challenge Fund**

- (a)
  - (i) For the implementation of Part 1.3(c) of the Project, the Project Implementing Entity shall, or shall cause BDF to, develop and adopt, no later than three (3) months after the Effective Date, a manual on the basis of terms of reference acceptable to the Association, containing selection criteria (and exclusions) and modalities, assessment requirements and procedures, and templates for the extension, assessment, monitoring and evaluation of grants to be provided by the fund to be established in accordance with Section I.B.2(b), all in form and substance acceptable to the Association and in sufficient details to support compliance with the Project Implementing Entity's obligations under this Agreement and the Recipient's obligations under the Financing Agreement (the "Innovation Challenge Fund Manual").
  - (ii) In case of any conflict between the provisions of the Innovation Challenge Fund Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail, and except as the Association shall otherwise agree, none of the Recipient, the Project Implementing Entity or BDF shall amend, abrogate or waive any provision of the Innovation Challenge Fund Manual.
- (b) For the implementation of Part 1.3(c) of the Project, the Project Implementing Entity shall cause BDF to establish and capitalize a fund which shall provide to beneficiaries selected on an open, competitive and transparent basis (each a "Innovation Challenge Beneficiary"), a grant (each a "Innovation Challenge Grant") for the financing of their sub-project to test or scale-up innovations in the agricultural/food value chains or to improve the services in such value chains (each a "Innovation Challenge Sub-project"), in accordance with the eligibility criteria, procedures and guidelines provided in the Innovation Challenge Fund Manual.
- (c) Without limitation to the provisions of Section I.B 4(b) of this Schedule, each Innovation Challenge Grant shall be provided pursuant to a legal agreement signed between the Project Implementing Entity, or BDF as the case may be, and the Innovation Challenge Beneficiary (each a "Innovation Challenge Grant Agreement"), pursuant to which BDF shall obtain rights adequate to protect its

interests and those of the Recipient, the Project Implementing Entity and the Association, including the right to:

- (i) suspend or terminate the right of the Innovation Challenge Beneficiary to use the proceeds of the Innovation Challenge Grant, or obtain a refund of all or any part of the amount of the Innovation Challenge Grant then withdrawn, upon the Innovation Challenge Beneficiary's failure to perform any of its obligations under the Innovation Challenge Grant Agreement; and
  - (ii) require each Innovation Challenge Beneficiary to: (A) carry out its Innovation Challenge 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 loan proceeds other than the Recipient; (B) procure the goods, works and services to be financed out of the Innovation Challenge Grant in accordance with the provisions of this Agreement; (C) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Innovation Challenge Sub-project and the achievement of its objectives; (D) (1) 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 Innovation Challenge Sub-project; and (2) at the Recipient's, the Association's, the Project Implementing Entity's or BDF'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, the Association, the Project Implementing Entity and BDF; (E) enable the Recipient, the Association, the Project Implementing Entity and BDF to inspect the Innovation Challenge Sub-project, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient, the Association, the Project Implementing Entity and BDF all such information as the Recipient, the Association, the Project Implementing Entity or BDF shall reasonably request relating to the foregoing.
- (d) The Project Implementing Entity shall cause BDF to exercise its rights under each Innovation Challenge Grant Agreement in such manner as to protect the interests of the Recipient, the Association, the Project Implementing Entity and BDF and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall ensure that BDF does not assign, amend, abrogate or waive any Innovation Challenge Grant Agreement or any of its provisions.

**C. Environmental and Social Standards.**

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Project Implementing Entity shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Project Implementing Entity shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Project Implementing Entity shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 6. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 7. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities, to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports.**

- 1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
- 2. The Project Implementing Entity shall provide to the Recipient not later than five (5) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

**Section III. Other Undertakings**

- A.** Without limitation to Section 5.12 (Disputed Area) of the General Conditions, the Project Implementing Entity shall not allocate any amount of the Financing to activities located in the area known as Sabanegwa, or any other location which would have otherwise triggered the application of the Association Policy OP/BP 7.60 (Projects in Disputed Areas).