
ESMAP GRANT NUMBER TB03589

**Energy Sector Management Assistance
Program Multi-Donor Trust Fund
Grant Agreement**

(Energy Access and Quality Improvement Project)

between

REPUBLIC OF RWANDA

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Energy Sector management Assistance Program
Multi Donor Trust Fund**

ESMAP GRANT NUMBER TB03589

**ENERGY SECTOR MANAGEMENT ASSISTANCE PROGRAM
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the **REPUBLIC OF RWANDA** (the “Recipient”) and the **INTERNATIONAL DEVELOPMENT ASSOCIATION** (the “Bank”), acting as administrator of the Energy Sector Management Assistance Program Multi-Donor Trust Fund (“ESMAP-MDTF”). The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

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

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall cause Part 3.B and Part 4.D of the Project to be carried out by the Project Implementing Entities in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement and the Project Agreements.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed ten million United States Dollars (\$10,000,000) (“Grant”) to assist in financing Part 3(b) and Part 4(d) of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors

under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
- (a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entities of their obligations under the respective Project Agreements.
 - (b) The Project Implementing Entities have failed to perform any obligation under the respective Project Agreements.
 - (c) IBRD or IDA has declared the Project Implementing Entities ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of:
 - (i) a determination by IBRD or IDA that the Project Implementing Entities have engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or
 - (ii) a declaration by another financier that the Project Implementing Entities are ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entities have engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.
 - (d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entities will be able to perform their obligations under the Project Agreements.
 - (e) (i) The agreement ("Co-financing Agreement") between the Recipient and Agence Française de Développement ("Co-financier") providing for financing in an amount equivalent to Euro 80,000,000 ("Co-financing") to assist in financing the Project, has failed to

become effective by the date thirty (30) days after the Effective Date referred to in Section 5.02 of this Agreement or such later date as the Bank has established by notice to the Recipient; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under this Agreement.

- (ii) Subject to sub-paragraph (iii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; or (B) the Co-financing has become due and payable prior to its agreed maturity.
 - (iii) Sub-paragraph (ii) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or pre-maturing was not caused by the failure of the recipient of the Co-financing to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient's obligations under this Agreement.
- (f) The Bank has determined after the Effective Date referred to in Section 5.02 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V **Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:
- (a) the execution and delivery of this Agreement on behalf of the Recipient and the Project Agreements on behalf of the Project Implementing Entities have been duly authorized or ratified by all necessary governmental and corporate action; and
 - (b) the financing agreement dated the same date as this Agreement, between the Recipient and IDA, providing a grant and credit in support of the Project ("Financing Agreement"), has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to

make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

Article VI

Recipient’s Representative; Addresses

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s minister responsible for finance.
- 6.02. For purposes of Section 7.01 of the Standard 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: +250 25 257 7581 Facsimile: +250 25 257 5756 E-mail: mfin@minecofin.gov.rw
- 6.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
(b) the Bank’s Electronic Address is:
Telex: 248423 (MCI) or 64145 (MCI) Facsimile: 1-202-477-6391 E-mail: rwandainfo@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF RWANDA

By

Dr. Uzziel Ndagijimana

Authorized Representative

Name: Dr. Uzziel Ndagijimana

Title: Minister of Finance and Economic Planning

Date: 24-Sep-2020

**INTERNATIONAL DEVELOPMENT
ASSOCIATION**

**acting as administrator of the Energy Sector Management
Assistance Program Multi-Donor Trust Fund**

By

Rolande Pryce

Authorized Representative

Name: Rolande Pryce

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 Bank for the Bank’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 IDA’s, the MDTF’s, the Co-Financiers’ and the Recipient’s respective shares of the costs;
 - (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, as may be amended from time to time with the Association's prior approval (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.
 - (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;

(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; (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; and (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

A. Project Reports

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

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance 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 Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) CCS Grants and Incremental Operating Costs under Part 3(b) of the Project (BRD)	7,000,000	100%
(2) Non-consulting services, consulting services, Training and Incremental Operating	3,000,000	100%

Costs and Innovation Grants under Part 4(d) of the Project (EDCL)		
TOTAL AMOUNT	10,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section 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 USD 200,000 may be made, from the ESMAP Grant for payments made prior to this date but on or after June 1, 2020, for Eligible Expenditures under Category 2.
2. Payments under Category 1 and 2 will be financed 100% out of the Grant, and once the Grant is fully disbursed, they will be financed out of resources available under the Financing Agreement.
3. The Closing Date is June 30, 2023.

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 Bank 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 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
3. “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.
4. “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.
5. “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
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “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.
8. “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.
9. “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 3 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.

10. “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.
11. “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.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
13. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
14. “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”.
15. “Incremental Operating Costs” means the reasonable incremental operating expenses, approved by the Bank, incurred by the Project Implementing Entities 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.

16. "Ntaruka HPP Audit Report" has the meaning given to that term in Schedule 2, Section III, paragraph B.1.(b)(i) to the Financing Agreement.
17. "Ntaruka HPP Action Plan" has the meaning given to that term in Schedule 2, Section III, paragraph B.1(b)(ii) to the Financing Agreement.
18. "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
19. "Project Implementing Entities" means collectively EDCL and BRD.
20. "Project Implementing Entity" means each of EDCL and BRD.
21. "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.
22. "Signature Date" means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.
23. "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019.
24. "Training" means the reasonable cost of training under the Project, as approved by the Bank, 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.