



## Integrated Safeguards Data Sheet Restructuring Stage

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Restructuring Stage | Date ISDS Prepared/Updated: 30-Jun-2020 | Report No: ISDSR30028

|                           |                                  |
|---------------------------|----------------------------------|
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**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

## I. BASIC INFORMATION

### 1. BASIC PROJECT DATA

|                                  |                                       |
|----------------------------------|---------------------------------------|
| Project ID                       | Project Name                          |
| P165649                          | Rwanda Housing Finance Project        |
| Task Team Leader(s)              | Country                               |
| Brice Gakombe, Leyla V. Castillo | Rwanda                                |
| Approval Date                    | Environmental Category                |
| 29-Nov-2018                      | Financial Intermediary Assessment (F) |
| Managing Unit                    |                                       |
| EAEF1                            |                                       |

### PROJECT FINANCING DATA (US\$, Millions)

#### SUMMARY

|                           |        |
|---------------------------|--------|
| <b>Total Project Cost</b> | 150.00 |
| <b>Total Financing</b>    | 150.00 |
| <b>Financing Gap</b>      | 0.00   |

#### DETAILS

##### World Bank Group Financing

|                                             |        |
|---------------------------------------------|--------|
| International Development Association (IDA) | 150.00 |
| IDA Credit                                  | 150.00 |

### 2. PROJECT INFORMATION



#### Current Program Development Objective

To expand access to housing finance to households and to support capital market development in Rwanda.

**Note to Task Teams:** End of system generated content, document is editable from here.

### 3. PROJECT DESCRIPTION

#### A. Project Status

- 1. The Rwanda Housing Finance Project (RHFP) is a US\$150 million five-year project aiming at *expanding access to housing finance to households and to support capital market development in Rwanda*.** The IDA Scale-up Facility (SUF) credit was approved by the Board on November 29, 2018 and became effective on April 10, 2019. The credit has disbursed 5.23 percent as of July 2020. The project is implemented by the Rwanda Development Bank (BRD) and includes two components: (1) Provision of Long-term Finance to Expand Housing Finance through a line of credit (LoC) extended to financial institutions (US\$147 million equivalent) and (2) Technical Assistance and Implementation Support (US\$3 million equivalent). Component two finances analytical work and capacity building to (i) enhance the housing demand-side and (ii) support the reform agenda to improve the enabling environment for the supply of affordable housing.
- 2. Efforts to promote housing development and urbanization have not been able to bridge the large and widening gap in the housing market.** Urbanization and housing are a high priority in Rwanda's development strategies, Vision 2050 and National Strategy for Transformation One - NST1. The overall demand for housing is estimated to remain at 70,000 units annually up to 2050 with a shift from rural to urban areas. The annual supply of formal housing by developers is estimated at just 1,000 new houses in Kigali. Supply side constraints affecting the development of new affordable homes arise from access to land and costs of construction. The availability of land is limited because of challenging terrains (for example, more than half of the land in Kigali is on steep slope or in wetland and is difficult and costly to develop). Land is also expensive because of small plot sizes and fragmentation. Leveraging land as an incentive for affordable housing, including through land value capture<sup>1</sup>, is challenging for the government as most land is in private possession. Construction costs are high due to the high cost of infrastructure and building materials, the lack of developer finance, and outdated building technologies. Rwanda lacks large-scale local housing developers, with the local construction industry lacking skills in architecture, engineering, and development to operate at scale. The combination of these constraints has contributed to the limited supply of new housing. Furthermore, due to their price range, the available housing units are only affordable to the highest-income percentiles.
- 3. The growth of the housing market is also constrained by the limited capacity of the financial sector to scale up housing finance.** At present, Rwanda lacks alternative mechanisms and institutions capable of intermediating long-term financing. The banking sector has been the main source of finance to date, but it will reach its limits as the

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<sup>1</sup> Land value capture refers to the mechanism of financing public infrastructure through securing and recovering a portion of the benefits delivered through subsequent increase in value of land in order to offset the costs of the investment itself.



growing investment and financing needs are bound to exceed the banking sector's financing capacity. The lack of long-term funds is the biggest challenge to Rwandan banks as their source of funding predominantly comprises short-term deposits. The funding mismatch creates increased liquidity and interest rate risks which limits the banks' ability and willingness to scale up long-term housing finance. As a result, banks allocate their limited funding resources to borrowers with the most favorable risk/return profile (higher income earners, salaried employees). This helps reduce risks, but also reduces access to financing for large segments of the Rwandan population who, as a result, are unable to afford purchasing new homes and therefore finance incremental construction out of savings and small, short term loans.

4. **The RHFP aims to address structural challenges in the Rwandan housing finance market.** To meet Rwanda's long-term growth and development goals, it is imperative to develop the financial system's institutional framework and build capacity to facilitate financial intermediation beyond the banking sector. Part of the LoC proceeds will be allocated to finance a potential GoR investment into the Rwanda Mortgage Refinancing Company (RMRC) in the form of equity and/or debt<sup>2</sup> alongside commitments from other institutional investors. The creation of RMRC proposed under the project will leverage long-term finance through the capital market toward the financing needs of Rwandan households.
5. **At about one year and four months into implementation, project performance is moderately satisfactory.** For component one, despite the increasing demand from financial institutions (FIs), translating it into actual draw-down presents a challenge slowing down project's disbursement to date. Five banks<sup>3</sup> have signed participation agreements with BRD to join the project, accounting for a demand of US\$51.5 million of the RHFP credit line. Four other banks<sup>4</sup> have expressed interest to participate and are in the process of fulfilling conditions to sign a participation agreement. Component two has advanced as per schedule, with a technical assistance to support the creation and operationalization of the RMRC launched in July 2019 and subsequent Business Plan finalized in December 2019. A regulation governing the RMRC activities was approved by the central bank (National Bank of Rwanda -BNR) in the same month and gazetted in June 2020. The remaining milestones in the process to create and operationalize the RMRC include (i) appointment by the Ministry of Finance (MINECOFIN) of an interim management to lead the process, (ii) RMRC incorporation and licensing, and (iii) hiring of a transaction advisor to lead the RMRC equity raising.
6. **On the demand side, activities are advancing as planned.** In collaboration with Rwanda Housing Authority (RHA), 7,000 potential clients have been registered. RHA and BRD are providing support to developers to provide verified lists of first home applicants that fulfill the project's eligibility criteria to start the booking process. The project disbursed initially US\$7.66 Million and stalled as financial institutions wait for an increase in eligible<sup>5</sup> housing projects to finance. To date, the most advanced affordable housing development project, Rugarama project, is expected to produce up to 200 units by December 2020 compared to a June 2020 target of 1,193 units.
7. **Financial institutions have been cautious in withdrawing funds from the LoC due to the limited supply of affordable housing available in the market.** Construction delays are affecting the total supply in the target market. While the risk of limited supply of affordable housing was identified and rated as substantial at project preparation stage, there was

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<sup>2</sup> Subordinated debt and/or long-term debt for a line of credit for mortgage refinancing implemented by the RMRC.

<sup>3</sup> These include Bank of Kigali, Zigama CSS, Bank of Africa, Kenya Commercial Bank, and NCBA Bank.

<sup>4</sup> I&M Bank, Banque Populaire du Rwanda, Access Bank, and CogeBanque.

<sup>5</sup> The project focuses on loans for homes priced in the range of FRW 10–35 million (USD \$10-35K), a price segment considered affordable to households with monthly incomes ranging between FRW 200,000 and FRW 700,000 (USD \$210-730), the primary target segment which may qualify for mortgage loans under the GoR's strategy on affordable housing finance (2018).



a growing number of housing projects<sup>6</sup> in the pipeline (3,000+ units) which offered significant potential for initial growth of the mortgage market. However, these numbers have not materialized as initially predicted. Delays in the provision of infrastructure in support of affordable housing projects by the government, along with the more recent COVID shock, explain the lack of progress on the supply of affordable housing. This situation has in turn impacted the demand side financing under component one and overall constrains project progress.

## B. Rationale for Restructuring

8. **Rwanda's growth outlook has deteriorated significantly due to the COVID-19 global pandemic.** Rwanda was experiencing an economic boom before COVID-19. Gross Domestic Product (GDP) growth reached 9.4 percent in 2019, accelerating from 8.6 percent in 2018 and 4 percent in 2017, mostly driven by large public investments for implementation of the National Strategy for Transformation 2017–2024 (NST1). The growth momentum was interrupted by the pandemic. Within three weeks, total turnover declared by VAT registered companies dropped by an average of 55 percent year on year driven by both industry and services sectors. Slowdown in overall economic performance is further exacerbated by low international commodity prices affecting Rwandan exports. While the overall impact of the COVID-19 shock is yet to be determined, the narrowed fiscal space constraining Rwanda's investment driven growth model and the less optimistic outlook for strategic sectors such as tourism, conventions and air transportation will significantly affect the positive growth and poverty reduction paths observed so far.
9. **COVID-19 related tightening fiscal conditions in Rwanda have put pressure on government's budget commitments to support affordable housing through the provision of infrastructure.** As part of the government policy to foster affordable housing, RHA provides infrastructure and/or reimburses developers for the provision of on-site infrastructure<sup>7</sup> in housing projects. According to project estimates, government support accounts for a reduction in final selling price of affordable houses of 25 to 35 percent on average. The budgeted infrastructure support for the period 2020-2024 is US\$41 million. Current fiscal pressures have severely impacted the government's ability to deliver on its commitment to provide infrastructure for ongoing affordable housing projects. The Prime Minister's Instructions No. 001/03 of 23/02/2017 determine the conditions and procedures for private developers or cooperatives of landowners to obtain GoR support for affordable and high-density housing.
10. **The proposed restructuring aims to address issues affecting the supply of affordable housing, originating from current government constraints to provide infrastructure associated with affordable housing.** The restructuring supports GoR's COVID-19 response by releasing fiscal resources from the national budget currently earmarked for infrastructure works for affordable housing. This will help with project implementation by addressing some of the gaps currently affecting supply of housing and which pose a risk to achieving project development outcomes. The team seeks the approval of a restructuring that involves: (i) adding a new component to support funding of government infrastructure provision in the amount of US\$30 million; (ii) revising the results framework; and (iii)

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<sup>6</sup> Projects included Kinyinya, an IFC investment with a first phase of what will ultimately be a 10,000-unit community development; Busanza (1,022 units) and Ndera (1,750 units).

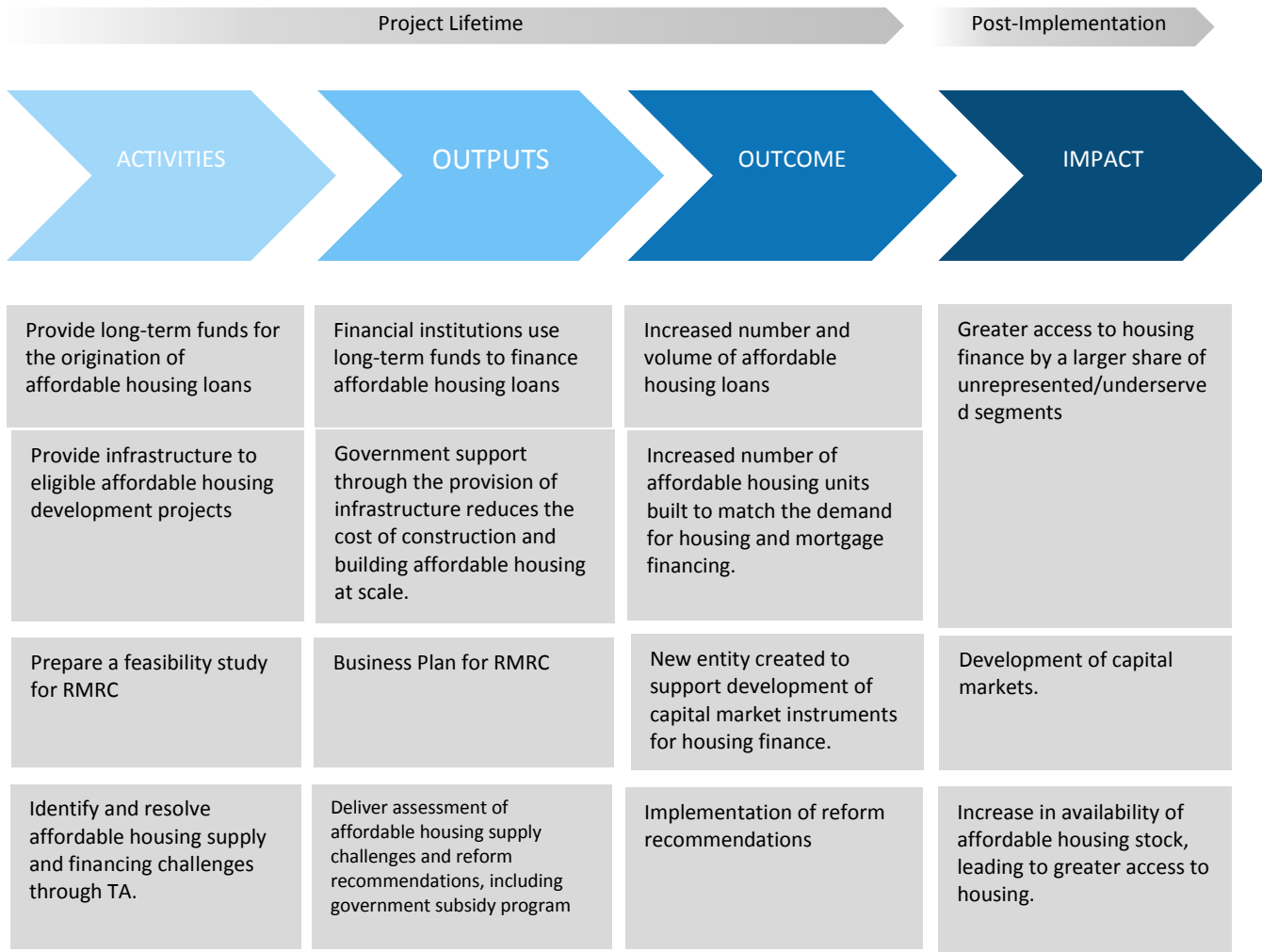
<sup>7</sup> Infrastructure provided by RHA include, among others, civil works for connecting utilities, roads and public landscaping.



reallocating proceeds within expenditures categories. The closing date of the original credit and the PDO remain unchanged.

**RESULTS CHAIN**

**Figure 1 . Results Chain**



11. **The proposed restructuring is aligned with the GoR’s and World Bank Group’s strategies to expand access to housing.** The project supports the GoR’s efforts to mobilize resources to support its ambitious housing agenda and priorities identified in NST 1, through its contribution to urban development and economic growth. The restructuring is also aligned with the World Bank’s Country Partnership Framework for the period FY21–FY26 (Report No. 148876-RW), which identifies affordable housing as one of the strategic sectors to leverage the World Bank Group’s assistance. The proposal is consistent with the Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity. In most emerging economies, housing represents the main source of wealth for the middle- and low-income households. Without housing finance solutions and support to affordable housing delivery, urban middle- and low-income households are unable to access proper housing. Furthermore, greater access to housing finance and provision of needed infrastructure will provide developers with a strong incentive to increase the supply of affordable housing to a growing urban population. The housing industry, especially through housing construction, creates an important



economic multiplier through job creation, including in related sectors along the supply chain, from developers to construction material businesses and commercial activities around new housing. The recent Country Private Sector Diagnostic (CPSD) report for Rwanda, completed in 2019, estimated direct contributions of housing construction and housing rental activity to collectively account for 9.5 percent of Rwanda's GDP. This high contribution to GDP is in line with the hypothesis that the lower the GDP per capita, the greater the relative importance of housing activities in an economy<sup>8</sup>.

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#### 4. PROJECT LOCATION AND SALIENT PHYSICAL CHARACTERISTICS RELEVANT TO THE SAFEGUARD ANALYSIS (IF KNOWN)

The project supports affordable housing projects in urban and peri-urban areas of Kigali city and secondary cities. The original project design has focused on ensuring scale-up on affordable mortgage finance in Rwanda, thus focusing on the demand side of the market. As retail finance, the E&S risks and impacts normally occur prior to downstream financial exposure of the mortgage lenders financed by the WB project via refinancing from BRD, and thus the mitigation approach is based largely on ex-post exclusions of properties with potentially high reputational (e.g. prior resettlement or destruction of critical habitats) or physical risks (e.g. located in disaster-prone zones). The environmental risk was therefore rated moderate. The restructuring involves provision of Infrastructure for Affordable Housing Development Projects, and is expected to contribute to increasing the availability of affordable housing. The financing instrument for the new component is an IPF with Performance-Based Conditions (PBCs), hence disbursements will be determined by both the achievement and verification of the PBCs, as well as provision of eligible expenditures agreed with the World Bank. Eligible expenditures for the PBCs will include GoR expenditures to support provision of infrastructure (i.e. roads and storm water drainage, water supply and sanitation services, electricity and street lighting, communication, and social amenities) for eligible and approved affordable housing development projects. The projects to be supported are all located in urban and peri-urban areas of Kigali city and will be identified after the restructuring is completed. The new project component added due to project restructuring will, therefore, focus on the supply side of the market, that is on financing of physical infrastructure that will support private developers with construction of new affordable housing developments. This will add new E&S risk aspects that the primary lender - BRD - will be exposed to as a result of being involved in upstream construction activities. Examples include labor and EHS issues, noise and air pollution, community health and safety. The environmental risk profile is therefore

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<sup>8</sup> These findings are consistent with empirical research, which demonstrated high multiplier effects of the housing sector on growth and job creation. In Colombia, it is estimated that every US\$10,000 spent on housing creates five additional jobs. In India, each housing unit is estimated to create 1.5 direct and eight indirect jobs and in South Africa, 5.6 additional jobs. Based on the estimated number of mortgages (6,000) that will be financed and the number of housing units (6,000) to be supported by the US\$30 million infrastructure component, and assuming an average rate of 5 jobs created per housing unit built, the project may help create approximately 30,000 jobs in Rwanda in the next five years.



raised to substantial and current E&S risk mitigation measures in place for the project will need to be strengthened.

## 5. ENVIRONMENTAL AND SOCIAL SAFEGUARDS SPECIALISTS ON THE TEAM

Ekaterina Grigoryeva, Environmental Specialist  
George Bob Nkulanga, Social Specialist

## 6. SAFEGUARD POLICIES TRIGGERED

| Safeguard Policies                                             | Triggered | Explanation                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Assessment (OP) (BP 4.01)                        | Yes       | This is an FI category project, however the risk profile has been elevated due to the new component focus on upstream construction and physical infrastructure. This necessitates a different type of E&S due diligence as compared to the mortgage finance facility supported by the original project. |
| Performance Standards for Private Sector Activities OP/BP 4.03 | No        | No                                                                                                                                                                                                                                                                                                      |
| Natural Habitats (OP) (BP 4.04)                                | No        | The envisaged project activities are not anticipated to affect natural habitats. The policy is not triggered.                                                                                                                                                                                           |
| Forests (OP) (BP 4.36)                                         | No        | The project activities are not envisioned to have potential for significant forest degradation or loss. The policy is not triggered.                                                                                                                                                                    |
| Pest Management (OP 4.09)                                      | No        | The project is not envisaged to procure pesticides or pesticide equipment or lead to substantial increase in pesticide use. The policy is not triggered.                                                                                                                                                |
| Physical Cultural Resources (OP) (BP 4.11)                     | No        | The project activities are not expected to affect Physical Cultural Resources(PCR). The policy is not triggered.                                                                                                                                                                                        |
| Indigenous Peoples (OP) (BP 4.10)                              | No        | The project does not envisage to finance projects in indigenous people's territories. The policy is not triggered.                                                                                                                                                                                      |
| Involuntary Resettlement (OP) (BP 4.12)                        | Yes       | The project activities may involve resettlement.                                                                                                                                                                                                                                                        |
| Safety of Dams (OP) (BP 4.37)                                  | No        | The project activities do not involve the construction or rehabilitation of any dams; and are not dependent on existing dams. The policy is not triggered.                                                                                                                                              |
| Projects on International Waterways (OP) (BP 7.50)             | No        | The project does not negatively affect the use and protection of international waterways. None of the                                                                                                                                                                                                   |





investments or project financed activities will be located on international waterways thus this policy is not triggered.

Projects in Disputed Areas (OP) (BP 7.60) No

None of the investments, project financed activities or operations will be located in disputed areas so this policy is not triggered.

## II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. SUMMARY OF KEY SAFEGUARD ISSUES

1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts.

In the original project design, BRD's portfolio supported by the World Bank financing consists of housing loan tranches presented by Participating Financing Institutions (PFIs) for refinancing. These tranches consist of eligible mortgage/housing loans originated by primary lenders to individuals/households in Rwanda, who may be employed or self-employed. Loans are those intended for the refinancing of acquisition of residential housing. The addition of the new component brings about new risks and potential impacts that need to be considered. Key issues may include:

- (i) Building safety. Key risks involve health and safety issues linked to improper techniques during construction of mortgaged properties (e.g. use of hazardous materials, inadequate life and fire safety, weak structural integrity etc.). This can affect both quality of collateral and personal health and safety of end borrowers
- (ii) Construction-related risks such as air and noise pollution, OHS issues, GBV issues, Sexual Exploitation and Abuse (SEA), Workers and community grievances, community health and safety issues
- (iii) Locations of the housing/ properties to be refinanced. The locations are expected to be predominantly in urban areas that can be often densely populated. Locational characteristics may include sites in poorly managed areas with limited or no basic services such as water supply and sanitation, which could sometimes lead to health risks and impacts for end borrowers or impact property values. Risks should also be minimized by avoiding locations which are prone to disasters and/or cause adverse impact on natural environment and/or human health (e.g. locations near waste dump sites, high tension cables, canals etc.). Such locations have a potential to reduce value of the properties, thus leading to deterioration in the value of the collateral.
- iv) Resettlement/ displacement/ adverse impacts on vulnerable communities. The additional component to the current project poses a limited land acquisition potential related to required land to connect utilities for example access roads to the sites, water and electricity distributions networks. These activities will potentially contribute to minimum land acquisition or displacement issues that could arise within the scope of this component of the project. The sub-type activity is a category B and the client will prepare a RPF to guide the implementation under this new component. Loans would only be provided to people with evidence of tenure (right to occupy their dwellings).

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area.

N/A



3. Describe any potential alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Lack of support for robust infrastructure in affordable housing can potentially exacerbate E&S risks and health impacts on communities and residents of affordable housing developments. Specifically, lack of basic services can undermine the positive impacts. Therefore, the project aims to support more sustainable construction of housing in Rwanda.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

At the higher level, BRD has its institutional Environmental and Social Management System (ESMS) that covers its core operations and is largely focused on project finance transactions which shows commitment of BRD to manage E&S risks of its investments financed. Currently, ESMS is a comprehensive, well-documented E&S risk management approach that is mostly complete and include all key components expected of such a system by international good practice:

- E&S policy with clearly specified applicable E&S requirements and standards. The policy specifies the following requirements: (i) relevant national laws and regulations; (ii) application of List of Excluded Activities; (iii) Environmental and Social Screening Criteria; (iv) project categorization.
- E&S risk management procedures for screening, identification, assessment, mitigation, monitoring and reporting of E&S risks; the procedures include due diligence process.
- Reporting requirements for internal and external stakeholders on implementation.
- Roles and responsibilities within the organizational structure for managing and monitoring E&S risks.
- Management commitment by BRD to implement policies and procedures through formal disclosure of the E&S policy and provision of adequate support and resources for implementation, including to capacity building.
- Grievance Redress Policy that articulates the commitment to addressing complaints related to its operations.

Some of the shortcomings in the existing ESMS are (i) Currently, the policy does not provide for fulltime Environmental and Social staff to oversee/provide needed expertise in the implementation of the ESMS; ensuring that the E&S procedures are well integrated with BRD's business processes for screening and evaluating investment risks and monitoring implementation of Environmental, Social, Health and Safety (ESHS) requirements for activities financed by BRD; (ii) The procedures for identification, assessment and management of the environmental and Social risks and impacts of other FIS' subprojects financed by BRD are not spelt out in the current ESMS. The ESMS should clearly differentiate the arrangements for retail and wholesale lending/guarantees; (iii) A section on Monitoring E&S performance in financed investments to ensure compliance to E&S covenants needs to be included in the ESMS; (iv)

ESMS provisions on excluded activities could be expanded to include aspects adverse risks/impacts on marginalized groups, significant risks/impacts on community health and safety, biodiversity, cultural heritage, resettlement etc.

Currently, BRD does not have full-time staff responsible for implementation of the ESMS, however these responsibilities are clearly included in the work of the risk department and investment staff also received training that enables them to play their part in the process. BRD is prepared and keen to strengthen its E&S capacity as it relates not only to this project but at the overall institutional level, which would ensure more consistent implementation of E&S risk assessment and management measures across the portfolio. This will be beneficial for this and other World Bank projects that BRD is currently implementing and those under preparation.

Within the original project design, where BRD acts as wholesale financial intermediary, a distinct process within BRD's Environmental and Social Management System developed by BRD to cover this very specific type of lending activities (retail mortgage refinancing) was developed. It focuses on the following core aspects: (1) establishing, through its



E&S risk management policy, a clear set of requirements for primary housing lending institutions that would seek refinancing from BRD and will be RMRC's shareholders; (2) procedures for due diligence and supervision of E&S risk management (ESRM) processes aimed to meet BRD's requirements, including a list of excluded activities and establishing an adequate screening procedures at the Primary Mortgage Lenders (PMLs) level; (3) appropriate disclosure and reporting; (4) adequate grievance management policies and processes; (5) capacity building among retail mortgage lenders.

With the addition of the new component that focuses on physical infrastructure/construction activities, while the risk profile is elevated as compared to the original project, BRD's institutional ESMS would be suitable for assessing and managing E&S risks (as this component focuses on project finance). In addition, Rwandan housing authority will be involved in the project as a secondary agency that will receive funding from BRD. It is, therefore, prudent to ensure that this agency has adequate process and capacity in place to support BRD in the efforts of E&S risk management.

Based on the above analysis, the proposed measures and instruments to strengthen E&S risk management approach as part of restructuring are as follows:

(a) BRD already has an institutional ESMS that covers all its lending activities, including infrastructure project finance. Nevertheless BRD will be required to strengthen it where we see gaps pertinent to the risks under the new component;

(b) In addition, the Rwanda Housing Authority (RHA) will play a role in the project's new component for the provision of infrastructure. RHA will be coordinating project activities with BRD, the implementing agency, through a MOU. BRD will retain primary responsibility for E&S and the instrument to be prepared by BRD would be a project-specific ESMF which would be very concise and focus on key aspects of the project, primarily on the respective roles and responsibilities of BRD and RHA in the E&S screening and assessment process, stakeholder engagement, and other important aspects, as well as monitoring and reporting during implementation.

(c) BRD will prepare the RPF due to the new component added to the parent project that includes support for infrastructure development, before disbursement.

(d) BRD also has staff responsible for E&S, but they are currently not performing those roles full-time, therefore BRD will be required to hire full-time specialists; the engagement with BRD on this matter had already commenced during project preparation and the client is very supportive and committed on this issue;

Timelines: The above measures (b) and (c) will be disbursement conditions for the funds allocated under the new component, and the update of the corporate ESMS (a) as well as hiring of the additional E&S capacity (d) will be required to be completed within a certain timeframe following disbursement, which will be reflected as a covenant in the financing agreement. The two instruments under (b) and (c) must be satisfactory to the Bank in order for the disbursement and overall financing conditions to be fulfilled.

5. Identify the key stakeholders and describe the mechanism for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include Rwanda Housing Authority (RHA), Private Sector Federation (PSF), Financial Intermediaries and Community members in areas where potential subprojects will be located. The client (BRD) through workshops or virtual meetings will engage all the key stakeholders and disclose all the safeguards instruments related to this operation. In line with the COVID-19 Ministry of Health guidelines, BRD will also engage the community



members at the four identified subproject sites in collaboration with RHA. The community will be informed of the proposed projects, the environment and social risk management arrangements, including the GRM for the community and workers.

**B. DISCLOSURE REQUIREMENTS**

**Environmental Assessment/Audit/Management Plan/Other**

|                             |                                   |
|-----------------------------|-----------------------------------|
| Date of receipt by the Bank | Date of submission for disclosure |
| 30-Nov-2020                 | 18-Dec-2020                       |

For Category 'A' projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

**Resettlement Action Plan/Framework Policy Process**

|                             |                                   |
|-----------------------------|-----------------------------------|
| Date of receipt by the Bank | Date of submission for disclosure |
| 30-Nov-2020                 | 18-Dec-2020                       |

"In country" Disclosure

**C. COMPLIANCE MONITORING INDICATORS AT THE CORPORATE LEVEL**

**OP/BP/GP 4.01 - Environment Assessment**

|                                                                                                           |     |
|-----------------------------------------------------------------------------------------------------------|-----|
| Does the project require a stand-alone EA (including EMP) report?                                         | Yes |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report? | No  |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan?                        | Yes |

**OP/BP 4.12 - Involuntary Resettlement**

|                                                                                                             |     |
|-------------------------------------------------------------------------------------------------------------|-----|
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?          | No  |



**The World Bank Policy on Disclosure of Information**

|                                                                                                                                                                              |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Have relevant safeguard policies documents been sent to the World Bank for disclosure?                                                                                       | No |
| Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? | No |

**All Safeguard Policies**

|                                                                                                                                                             |     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes |
| Have costs related to safeguard policy measures been included in the project cost?                                                                          | Yes |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?            | Yes |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?          | Yes |

**III. APPROVALS**

|                          |                                    |
|--------------------------|------------------------------------|
| Task Team Leader(s)      | Brice Gakombe<br>Leyla V. Castillo |
| <b>Approved By</b>       |                                    |
| Safeguards Advisor       | Peter Leonard<br>26-Oct-2020       |
| Practice Manager/Manager | Niraj Verma<br>26-Oct-2020         |

**Note to Task Teams:** End of system generated content