
**GRANT NUMBER D867-RW
CREDIT NUMBER 6404-RW (AMENDMENT)
GRANT NUMBER D456-RW (AMENDMENT)**

Financing Agreement

**(Additional Financing for the Socio-Economic Inclusion of Refugees and Host
Communities in Rwanda Project)**

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D867-RW

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of: (i) providing additional financing for activities related to the Original Project; and (ii) amending specific provisions of the Original Financing Agreement (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, among other things, of the existence of an adequate refugee protection framework. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fourteen million Special Drawing Rights (SDR 14,000,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are June 1 and December 1 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (i) cause Part 1.A and 1.B(b)-(e) of the Project to be carried out through Target Districts; (ii) cause Part 1.B (a) of the Project to be carried out through RTDA; (iii) cause Part 2 of the Project to be carried out by BRD; and (iv) carry out Parts 3 and 4 of the Project through MINEMA, in accordance with

the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreements.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Recipient no longer has an adequate refugee protection framework.
 - (b) Any action has been taken for the dissolution, disestablishment or suspension of operation (including cancellation of license to operate as a financial institution) of the BRD.
 - (c) Any action has been taken for the dissolution, disestablishment or suspension of operation (including cancellation of license to operate as a financial institution) of the RTDA.
- 4.02. The Additional Events of Acceleration consist of the following, namely the events specified in Section 4.01 of this Agreement occur.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Association is satisfied that the Recipient has an adequate refugee protection framework; and
 - (b) the Recipient has updated and adopted the PIM.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the minister responsible for finance.
- 6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:
- Ministry of Finance and Economic Planning
P.O Box 158
Kigali
Rwanda; and

(b) the Recipient's Electronic Address is:

Telex:	Facsimile:	E-mail:
+250 25 257 7581	+250 25 257 5756	info@minecofin.gov.rw

6.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF RWANDA

By

Dr. Uzziel Ndagijimana

Authorized Representative

Dr. Uzziel Ndagijimana

Name: _____

Title: _____ Minister of Finance and Economic Planning

09-Jul-2021

Date: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Rolande Pryce

Authorized Representative

Rolande Pryce

Name: _____

Title: _____ Country Manager

08-Jul-2021

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to improve access to basic services and economic opportunities for refugees and host communities, and support environmental management, in the Target Areas in Rwanda.

The Project consists of the following parts:

Part 1: Access to basic services and socio-economic investments

A. Access to basic services

Support for investments in Target Districts:

- (a) in the education sector that enable integration of refugee children into public schools, harmonize the quality of education across refugee and host community populations and provide refugees and host communities with access to technical and vocational education (TVET) through, *inter alia*; (i) the construction, rehabilitation or upgrading of elementary, secondary and technical and vocational schools; (ii) the provision of facilities and equipment required for such schools; and (iii) the provision of study grants for market-linked TVET jobs skills training;
- (b) in the health sector that enable refugees and host communities to access medical treatment through, *inter alia*: (i) construction, rehabilitation or upgrading of health posts, centers and/or district hospitals; and (ii) purchase of equipment and medical supplies for such health posts, centers and/or district hospitals; and
- (c) that enable water supply through, *inter alia*, construction or rehabilitation of water supply systems for host communities, namely wells, boreholes, pumps, water tanks or other community-based water systems.

B. Socio-economic investments

Support for investments that promote economic activity in the Target Areas, connect remote refugee and host communities to markets and to strengthen the access of traders and entrepreneurs to refugees and host communities through, *inter alia*: (a) road upgrading or rehabilitation to link refugee populations and host communities to economic opportunities; (b) construction of and/or upgrading of market facilities; (c) installation of lighting for security and extended business hours of market facilities; (d) construction of water and sanitation facilities for market facilities; and (e) construction of child care facilities near market facilities to encourage refugee women's economic participation and minimize the problem of child neglect.

Part 2: Economic Opportunity

Support the expansion of economic opportunities and promote access to finance and private sector investment in the Target Districts and Urban Areas, with opportunities open to both refugees and hosting communities, through, *inter alia*:

- (a) the provision of Matching Grants to participating financial institutions to support eligible refugees and/or entrepreneurs and/or cooperatives to be used as collateral for individuals, cooperatives or enterprises for financing viable business plans to cover initial investments or business expansion; and
- (b) capacity building support to BRD, BDAs, financial institutions, and potential entrepreneurs operating in the Recipient's territory to strengthen the financing of the value chain and improve access to finance in the Target Districts and Urban Areas.

Part 3: Environmental Management

Support for investments targeting: (i) the rehabilitation of ravines; and (ii) construction of reservoirs to harvest stormwater for productive use in or near the six refugee camps.

Part 4: Project Management and Monitoring and Evaluation

Support for Project management, implementation and supervision at central and district levels, including, *inter alia*, for carrying out: (a) procurement and financial management; (b) monitoring and evaluation; (c) progress reporting; (d) environmental and social safeguards implementation and supervision; and (e) a stakeholder engagement strategy, including through the operationalization of a grievance redress mechanism for the Project and a strategic communications plan that will, *inter alia*, raise awareness of the refugees' right to work in the Recipient's territory.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

MINEMA-SPIU

1. The Recipient shall, through MINEMA, maintain, throughout Project implementation, the MINEMA-SPIU within MINEMA, composed of key staff, with qualifications and under terms of reference acceptable to the Association, including a dedicated Team for Project implementation, which shall include one Project manager, one procurement specialist, three financial management specialists, one internal auditor, one communications specialist, two engineers, one livelihoods and business development specialist, one environmental, health and safety safeguards specialist, one social safeguards specialist, one monitoring and evaluation specialist, six district field specialists and any other technical, fiduciary, and safeguard specialists as may have been agreed with the Association, as further detailed in the PIM. The MINEMA-SPIU shall be responsible for the overall coordination of the Project (including in assisting Target Districts in screening and supervising investments under Part 1 of the Project) and day to day implementation of Parts 3 and 4 of the Project, including, *inter alia*, ensuring coordination with key stakeholders and governmental agencies, managing, implementing and supervising the fiduciary and safeguard aspects of Parts 3 and 4 of the Project, and overall Project monitoring and evaluation, as further detailed in the PIM.

Project Steering Committee (PSC)

2. The Recipient shall maintain, throughout Project implementation, with function, composition and under terms of reference acceptable to the Association, a high-level inter-agency Project Steering Committee (PSC) to provide strategic oversight and guidance to the Project. The PSC shall be chaired by a high-level official of MINEMA and shall include, *inter alia*, high level representatives of MINECOFIN, Target Districts, BRD and any other relevant ministries and agencies, as further detailed in the PIM.

Inter-agency technical team and inter-agency collaboration

3. The Recipient shall maintain, throughout Project implementation, with functions, composition, qualifications and under terms of reference acceptable to the Association, an inter-agency technical team, as further detailed in the PIM. The inter-agency technical team shall be responsible for advising the MINEMA-SPIU

and other implementing agencies and ensure that Project investments are consistent with national policies and practices.

4. For the purpose of ensuring sound implementation of Parts 1, 2 and 3 of the Project, the Recipient shall ensure MINEMA and/or Target Districts collaborate with relevant technical agencies of the Recipient, in a manner satisfactory to the Association.

BRD-SPIU

5. The Recipient shall cause BRD to: (a) maintain, within BRD, the Single Project Implementation Unit (BRD-SPIU) throughout Project implementation, with two environmental and social safeguards specialists, one financial management specialist and one accountant and other technical, safeguards, and fiduciary specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) 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 Project Implementation Manual.
6. The BRD-SPIU shall be responsible for day-to-day management and implementation of Part 2 of the Project, including financial management, procurement, safeguards, supervision, and monitoring and evaluation.

Target Districts

7. The Recipient shall cause the governments of Target Districts to: (a) establish and, thereafter maintain, within the District, a dedicated implementation team, throughout Project implementation, with technical, safeguards, and fiduciary specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the Target District dedicated team has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Implementation Manual.
8. The Target Districts shall be responsible for day-to-day management and implementation of Part 1 of the Project, including financial management, procurement, safeguards, supervision, and monitoring and evaluation. In this regard, MINEMA and technical agencies shall assist the Target Districts in the discharge of their obligations, in accordance with their respective mandates.

Communications Plan on the Right to Work

9. No later than three (3) months after the Effective Date, the Recipient shall adopt, and, thereafter implement, throughout Project implementation, a communications

plan, in form and substance acceptable to the Association, detailing how to publicize the right to work of refugees in the Recipient's territory.

RTDA-SPIU

10. The Recipient shall cause RTDA to: (a) maintain, within RTDA, the Single Project Implementation Unit (RTDA-SPIU) throughout Project implementation, with a coordinator, procurement specialist, financial specialist, environmental specialist, social safeguard specialist, contract management specialist, project accountant, and other technical specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the RTDA-SPIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Implementation Manual.
11. The RTDA-SPIU shall be responsible for day-to-day management and implementation of Part 1.B(a) of the Project, including all transport infrastructure construction, financial management, procurement, safeguards, supervision, and monitoring and evaluation.

B. Project Implementation Manual (PIM)

1. The Recipient shall carry out, and ensure that the Project is carried out by BRD, RTDA and the Target Districts, in accordance with the requirements set forth in the PIM. The PIM shall set out detailed guidelines, methods and procedures for the implementation 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 Target Districts, RTDA, the MINEMA SPIU, the inter-agency technical team and the BRD; (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) accounting system and transaction records; (g) reporting requirements; (h) external audit; (i) anti-corruption and fraud mitigation measures; (j) environmental and social safeguards aspects, including a detailed description of the GRM process as well as any process for recording and reporting Project-related accidents and incidents; (k) detailed procedures, eligibility, selection/eligibility criteria and flow of funds for the investments under Parts 1 and 3 of the Project; (l) monitoring and evaluation arrangements, including procedures and reporting formats; and (m) such other arrangements and procedures as shall be required for the effective implementation of the Project.
2. The Recipient shall ensure that the PIM or any provision thereof is not assigned, amended, abrogated or waived without prior written approval of the Association.

3. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

C. BRD Subsidiary Agreement

1. In order to facilitate the carrying out of Part 2 of the Project, the Recipient shall make the proceeds of the Financing allocated to Categories (2) and (3) (“BRD Subsidiary Financing”) available, subject to withdrawal conditions in Section III.B of this Schedule, to the BRD under a subsidiary agreement (“BRD Subsidiary Agreement”) to be entered into between the Recipient and the BRD, under terms and conditions approved by the Association, which shall include the following:
 - (a) financial terms and conditions of the BRD Subsidiary Financing, as further defined in the PIM;
 - (b) the obligation of the BRD to use the proceeds of the BRD Subsidiary Financing for technical assistance and purposes of providing Matching-Grants to eligible Beneficiaries. For purposes of providing Matching Grants, the BRD shall ensure that participating financial institutions appraise and select Beneficiaries in accordance with the procedures and criteria in the PIM and Matching Grants Manual and enter into agreements, under terms and conditions satisfactory to the Association and as further set out in the Matching Grants Manual and the PIM;
 - (c) the obligation of the BRD to carry out Part 2 of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 2 of the Project;
 - (d) the obligation of the BRD to: (i) exchange views with the Recipient, and the Association with regard to the progress of Part 2 of the Project, and the performance of its obligations under the BRD Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Part 2 of the Project;
 - (e) the obligation of the BRD to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part 2 of the Project, including but not limited to any Project-related accident or incident;
 - (f) the obligation of the BRD to ensure that Part 2 of the Project is carried out in accordance with the Safeguard Instruments, PIM and the Matching Grants Manual;

- (g) the obligation of the BRD to carry out Part 2 of the Project in compliance with the Anti-Corruption Guidelines;
 - (h) the obligation of the BRD to carry out Part 2 of the Project in accordance with the Procurement Regulations;
 - (i) the obligation of the BRD 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 Part 2 of the Project; and (ii) 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; and
 - (j) the right of the Recipient to take remedial actions against the BRD, in case the BRD shall have failed to comply with any of its obligations under the BRD Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the BRD Subsidiary Financing transferred to the BRD pursuant to the BRD Subsidiary Agreement (as the case may be).
2. The Recipient shall exercise its rights under the BRD Subsidiary 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 BRD Subsidiary Agreement or any of its provisions.

D. Matching Grants under Part 2(a) of the Project

- 1. In order to facilitate Part 2(a) of the Project, the Recipient shall cause BRD to ensure that participating financial institutions shall make Matching Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, as further detailed in the Matching Grants Manual.
- 2. The Recipient shall cause BRD to ensure that the participating financial institutions shall make each Matching Grant under a Matching Grant Agreement between the participating financial institution and the respective Beneficiary on terms and conditions approved by the Association, as further detailed in the Matching Grants Manual, which shall include the following:
 - (a) The Matching Grant shall be in cash.

- (b) The Recipient shall cause BRD to ensure that the participating financial institution shall obtain rights adequate to protect BRD's interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and (ii) require each Beneficiary to: (A) 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 Loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the subproject and the achievement of its objectives; (E) (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 and proportionate to reflect the operations, resources and expenditures related to the subproject; and (2) 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; (F) enable the BRD, Recipient and the Association to inspect the subproject, its operation and any relevant records and documents; and (G) 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 BRD to ensure that the participating financial institution shall exercise its rights under each Matching Grant 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 BRD shall ensure that the participating financial institution shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

E. Safeguards

- 1. The Recipient shall and shall cause RTDA, BRD and/or the Target Districts to ensure that the Project is carried out with due regard to appropriate health, safety, social, dam safety and environmental practices and standards, and in accordance with the Safeguards Instruments, and shall ensure or cause to be ensured that no

provision of the Safeguard Instruments is amended, suspended, abrogated, repealed or waived without the prior written approval of the Association.

2. The Recipient shall or shall cause RTDA, BRD and/or Target Districts to 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 the Safeguard Instruments; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, and gender-based violence; all as applicable to such civil works commissioned or carried out pursuant to said contracts.
3. The Recipient shall or shall cause RTDA, BRD and/or the Target Districts to ensure that the following actions are taken in a manner acceptable to the Association:
 - (a) Project activities shall be screened in accordance with the ESMF and RPF to determine if any ESMP, ESIA (Environmental and Social Impact Assessment) or RAP is needed;
 - (b) for each activity under the Project for which the ESMF and the RPF provide for the preparation of an ESIA, and/or an ESMP, and a RAP:
 - (i) proceed to have such ESIA, and/or ESMP and RAP as appropriate: (A) prepared and disclosed in accordance with the ESMF, the RPF and the SEP (Stakeholder Engagement Plan), respectively; (B) consulted upon adequately with people affected by the Project as per the SEP and the ESMF and the RPF, respectively, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, and/or ESMP and RAP in a manner satisfactory to the Association;
 - (c) all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:
 - (i) adequate funds are made available to cover all the costs of implementing the RAPs; and
 - (ii) no works under the Project shall be commenced until: (A) all measures required to be taken under said RAP prior to the initiation of said works shall have been taken, including but not

limited Project affected persons being compensated at full replacement cost, resettled and provided with assistance in accordance with the RPF and resettlement action plan(s); (B) the Recipient has prepared and furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP and detailing that the implementation, monitoring and evaluation of such resettlement action plan is completed and reported in a manner satisfactory to the Association; and (C) the Association has confirmed that said works may be commenced.

4. Without limitation to the excluded expenditures provision set forth in the ESMF and/or RPF, the following activities shall not be eligible to be included in or funded under the Project:
 - (a) activities involving the use of pesticides;
 - (b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;
 - (c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;
 - (d) activities involving the financing the rehabilitation or construction of Large Dams;
 - (e) activities involving or located in an international waterway, including underground water;
 - (f) activities involving nuclear reactors and parts thereof and fuel elements (cartridges), non-irradiated, for nuclear reactors; and
 - (g) goods intended for a military or paramilitary purpose.
5. The Recipient shall, and shall cause RTDA, BRD and the Target Districts to, establish and, thereafter, maintain, throughout Project implementation, and publicize the availability of a grievance and feedback mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.
6. The Recipient shall, and shall cause RTDA, Target Districts and/or BRD to ensure that any construction or rehabilitation of Small Dams shall be reviewed by

qualified engineers, acceptable to the Association, and in accordance with the ESMF.

7. The Recipient shall ensure and shall cause RTDA, BRD, Target Districts and any pertinent Project service providers, at all times throughout the period of Project implementation, to:
 - (a) take all measures necessary on its part to collect, compile, and furnish to the Association through Project Reports, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESMF and RPF and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, among other things: (i) the status of implementation of the ESMF/RPF; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESMF/RPF; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;
 - (b) promptly notify the Association of any incident or accident related to or having an impact on the Project, including but not limited to any Project-related allegation of gender-based violence or alleged violation of Project-related labor and working conditions, which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESMF/RPF, and the instruments referenced therein.

F. Target District Implementation Agreements

1. In order to facilitate the carrying out of Part 1.A and 1.B(b)-(e) of the Project, the Recipient, through MINEMA, shall make the proceeds of the Financing allocated to Category (1) (“Target District Subsidiary Financing”) available, subject to withdrawal conditions in Section III.B of this Schedule, to the Target Districts under a subsidiary agreement (“Target District Implementation Agreement”) to be entered into between the Recipient and each of the Target Districts, under terms and conditions approved by the Association, which shall include the following:
 - (a) financial terms and conditions of the Target District Subsidiary Financing, as further defined in the PIM;
 - (b) the obligation of the Target Districts to use the proceeds of the Target Districts Subsidiary Financing for purposes of carrying out Part 1.A and 1.B(b)-(e) of the Project;
 - (c) the obligation of the Target District to carry out Part 1.A and 1.B(b)-(e) of the Project with due diligence and efficiency, in conformity with

appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 1 of the Project;

- (d) the obligation of the Target Districts to: (i) exchange views with the Recipient, and the Association with regard to the progress of Part 1.A and 1.B(b)-(e) of the Project, and the performance of its obligations under the Target Districts Implementation Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Part 2 of the Project;
- (e) the obligation of the Target Districts to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part 1.A and 1.B(b)-(e) of the Project, including but not limited to any Project-related accident and incident;
- (f) the obligation of the Target Districts to carry out Part 1.A and 1.B(b)-(e) of the Project in accordance with the PIM and Safeguard Instruments;
- (g) the obligation of the Target Districts to carry out Part 1.A and 1.B(b)-(e) of the Project in compliance with the Anti-Corruption Guidelines;
- (h) the obligation of the Target Districts to carry out Part 1.A and 1.B(b)-(e) of the Project in accordance with the Procurement Regulations;
- (i) the obligation of the Target Districts 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 Part 1.A and 1.B(b)-(e) of the Project; and (ii) 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; and
- (j) the right of the Recipient to take remedial actions against the Target Districts, in case the Target Districts shall have failed to comply with any of its obligations under the Target District Implementation Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Target District Subsidiary Financing transferred to the Target District pursuant to the Target District Implementation Agreement (as the case may be).

2. The Recipient, through MINEMA, shall exercise its rights under the Target District Implementation 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 Target District Implementation Agreement or any of its provisions.

G. RTDA Subsidiary Agreement

1. In order to facilitate the carrying out of Part 1.B(a) of the Project, the Recipient shall make the proceeds of the Financing allocated to Category (5) available, subject to withdrawal conditions in Section III.B of this Schedule, to the RTDA under a subsidiary agreement (“RTDA Subsidiary Agreement”) to be entered into between the Recipient and the RTDA, under terms and conditions approved by the Association, which shall include the following:
 - (a) financial terms and conditions of the RTDA Subsidiary Financing, as further defined in the PIM;
 - (b) the obligation of the RTDA to carry out Part 1.B(a) of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 1.B(a) of the Project;
 - (c) the obligation of the RTDA to: (i) exchange views with the Recipient, and the Association with regard to the progress of Part 1.B(a) of the Project, and the performance of its obligations under the RTDA Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Part 1.B(a) of the Project;
 - (d) the obligation of the RTDA to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part 1.B(a) of the Project, including but not limited to any Project-related accident or incident;
 - (e) the obligation of the RTDA to ensure that Part 1.B(a) of the Project is carried out in accordance with the Safeguard Instruments and the PIM
 - (f) the obligation of the RTDA to carry out Part 1.B(a) of the Project in compliance with the Anti-Corruption Guidelines;
 - (g) the obligation of the RTDA to carry out Part 1.B(a) of the Project in accordance with the Procurement Regulations;

- (h) the obligation of the RTDA 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 Part 1.B(a) of the Project; and (ii) 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; and
 - (i) the right of the Recipient to take remedial actions against the RTDA, in case the RTDA shall have failed to comply with any of its obligations under the RTDA Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the RTDA Subsidiary Financing transferred to the RTDA pursuant to the RTDA Subsidiary Agreement (as the case may be).
2. The Recipient shall exercise its rights under the RTDA Subsidiary 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 RTDA Subsidiary Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar quarter, covering the calendar quarter

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services,	10,900,000	Up to 100%

consulting services, Training and Incremental Operating Costs for Part 1.A of the Project		
(2) Matching Grants under Part 2(a) of the Project	1,900,000	100%
(3) Goods, non-consulting services, consulting services, Training, and Incremental Operating Costs under Part 2(b) of the Project	210,000	100%
(4) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for Part 4 of the Project	990,000	100%
TOTAL AMOUNT	14,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date.
 - (b) under Category (1), unless and until, the Recipient, through MINEMA, signs Target District Implementation Agreements with each Target District, in form and substance satisfactory to the Association, and in accordance with Section I.F of Schedule 2 to this Agreement; and
 - (c) under Category (2), unless and until: (i) the BRD Subsidiary Agreement is signed with the Recipient, in form and substance satisfactory to the Association, and in accordance with Section I.C of Schedule 2 to this Agreement; (ii) a Matching Grants Manual is updated and adopted by BRD, in form and substance acceptable to the Association; and (iii) a communications plan is adopted by the Recipient, in form and substance acceptable to the Association, detailing how to publicize the right to work of refugees in the Recipient's territory.

2. The Closing Date is October 30, 2026.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “BDAs” means Business Development Advisers.
3. “Beneficiary” means an entrepreneur, enterprise and cooperative established in the territory of the Recipient, which satisfies the appropriate eligibility criteria set forth in Matching Grants Manual (as hereinafter defined) and to which the BRD proposes to make a Matching Grant (as such term is hereinafter defined), through a participating financial institution, for purposes of Part 2(a) of the Project.
4. “BRD” means the Development Bank of Rwanda, established and operating pursuant to Memorandum and Articles of Association approved by Resolution No. 8 of the meeting of shareholders of the Development Bank of Rwanda, dated March 23, 2012.
5. “BRD Subsidiary Agreement” means the agreement to be entered into between the Recipient and BRD and referred to in Section I.C. of Schedule 2 to this Agreement.
6. “BRD Subsidiary Financing” means the proceeds of the Financing to be provided to BRD under Categories (2) and (3) of the Financing for purposes of carrying out Part 2 of the Project, in accordance with the BRD Subsidiary Agreement and the PIM and Matching Grants Manual, and referred to in Section I.C of Schedule 2 to this Agreement.
7. “BRD-SPIU” means the single project implementing entity established within the BRD, and referred to in Section I.A of Schedule 2 to this Agreement.
8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “District” means an administrative subdivision within the Recipient’s territory.
10. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework, dated March 2019, prepared, adopted and disclosed by the Recipient and by the Association on March 25, 2019, and approved by the Association, describing, *inter alia*, the modalities to be followed in screening Project activities in order to assess and determine the need to prepare an ESIA and/or ESMP, including the measures to be taken to avoid,

minimize, reduce, or mitigate adverse environmental and social impacts, procedures for the management of chance finds of physical cultural resources and procedures to ensure protection, maintenance, and rehabilitation of natural habitats, as the same may be amended from time to time with the prior written agreement of the Association.

11. “Environmental and Social Management Plan” or “ESMP” means an Environmental and Social Management Plan, to be prepared, adopted and disclosed by the Recipient, and/or Target Districts, and acceptable to the Association, and giving details of the magnitude of the environmental and social impacts, including procedures for the management of chance finds of physical cultural resources and procedures to ensure protection, maintenance, and rehabilitation of natural habitats, as well as the specific actions, measures and policies designed to facilitate the achievement of the objective of the ESMF, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed to implement such actions, measures and policies, as the same may be amended from time to time with the prior written agreement of the Association.
12. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020 and April 1, 2021).
13. “GRM” means the Project-level grievance and feedback mechanism, referred to in Section I.E.5 of Schedule 2 to this Agreement.
14. “Incremental Operating Costs” means the reasonable incremental operating expenses, approved by the Association, incurred by the Target Districts, BRD, and MINEMA or its regional offices on account of the Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel, supervision costs, and salaries of Project implementation support staff, but excluding the salaries of officials and public servants of the Recipient’s civil service.
15. “Large Dams” means: (i) dams that are 15 meters or more in height; or (ii) dams that are between 10 and 15 meters in height if they present special design complexities (including but not limited location in a zone of high seismicity); or; (iii) dams under 10 meters in height if they are expected to become Large Dams (as hereinafter defined) during their operation.
16. “Matching Grants” means a grant proposed to be made by BRD through a participating financial institution to a Beneficiary, in accordance with the Matching Grants Manual, for the purposes of financing all or a portion of the expenditures

incurred by said Beneficiary under Part 2(a) of the Project for goods, services and works in connection with an investment approved by the participating financial institution approved and selected by BRD.

17. “Matching Grants Agreement” means an agreement to be concluded between the participating financial institution and a Beneficiary, and referred to in Section I.D of Schedule 2 to this Agreement pursuant to which the BRD shall make a portion of the proceeds allocated under Category 2 available to a participating financial institution for the purpose of providing a Matching Grant to a Beneficiary for carrying out an investment under Part 2(a) of the Project.
18. “Matching Grants Manual” means the manual to be adopted by the BRD for the purposes of setting out the details for awarding Matching Grants to participating financial institutions and Beneficiaries under Part 2(a) of the Project, including but not limited the selection process and eligibility criteria, and referred to in Section I.D of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
19. “MINECOFIN” means the Recipient’s ministry in charge of finance; or any successor thereto acceptable to the Association.
20. “MINEMA” means the Recipient’s ministry in charge of emergency management; or any successor thereto acceptable to the Association.
21. “MINEMA-SPIU” means the single project implementation unit established within MINEMA, and referred to in Section I.A. of Schedule 2 to this Agreement.
22. “Original Financing Agreement” means the financing agreement for the Original Project between The Republic of Rwanda and the International Development Association dated May 16, 2019 (Credit No. 6404-RW) and (Grant No. D456-RW).
23. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
24. “Project Implementation Manual” or “PIM” means the manual to be adopted by the Recipient, RTDA, Target Districts and BRD for the purposes of defining the detailed implementation arrangements for the Project, and referred to in Section I.B. of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
25. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.

26. “Project Steering Committee” or “PSC” means the Project steering committee to be established in connection to the Project, and referred to in Section I.A of Schedule 2 to this Agreement.
27. “Resettlement Action Plan” or “RAP” means in respect of any activity involving resettlement, a resettlement plan for such activity prepared, adopted, disclosed and implemented by the Recipient and/or Target Districts, and acceptable to the Association, such resettlement plan to include a program of actions, measures and policies for compensation and resettlement of Project-related affected Persons, and setting forth the magnitude of displacement, proposed compensation at full replacement cost and other entitlements, the resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements designed to ensure proper implementation of, and regular feedback on, compliance with such RAP, as the same may be amended from time to time with the prior written agreement of the Association.
28. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework, dated March 2019, prepared, adopted, and disclosed by the Recipient and BRD and the Target Districts and by the Association on March 25, 2019, and approved by the Association, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the prior written agreement of the Association.
29. “Rwanda Transport Development Agency” or the acronym “RTDA” means the Recipient’s transport development agency established under the LAW N°02/2010 OF 20/01/2010
30. “RTDA-SPIU” means the single project implementation unit established within RTDA, and referred to in Section I.A. of Schedule 2 to this Agreement
31. “RTDA Subsidiary Agreement” means the agreement to be entered into between the Recipient and RTDA and referred to in Section I.G. of Schedule 2 to this Agreement.
32. “Safeguard Instruments” means the environmental and safeguards instruments that have been prepared, adopted and disclosed by the Recipient in connection with the Project, and which includes the ESMF, the RPF, the SEP and the related ESMPs, ESIA and RAPs for the Project.
33. “Small Dams” means dams (including without limitation farm ponds, local silt retention dams and low embankment tanks) that are less than 15 meters in height.
34. “Stakeholder Engagement Plan” means the plan, to be prepared and adopted by the Recipient, Target Districts and BRD, setting out the details for the meaningful engagement with refugee and host communities, and other relevant stakeholders,

as the same may be amended from time to time with the prior written agreement of the Association.

35. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
36. “Target Areas” or “Target Districts” means the following six Recipient’s Districts: Gicumbi (Northern Province), Gatsibo (Eastern Province), Kirehe (Eastern Province), Nyamagabe (Southern Province), Gisagara (Southern Province), and Karongi (Western Province).
37. “Target District Implementation Agreement” means the agreement to be entered into between each Target District and the Recipient, through MINEMA, and referred to in Section I.F. of Schedule 2 to this Agreement.
38. “Target District Subsidiary Financing” means the proceeds of the Financing to be provided to Target Districts under Category (1) of the Financing for purposes of carrying out Part 1 of the Project, in accordance with the Target District Implementation Agreement and the PIM and referred to in Section I.F of Schedule 2 to this Agreement.
39. “Training” means the reasonable cost of training under the Project, as approved by the Association, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.
40. “Urban Areas” means the following five Recipient’s Districts: Huye (Southern Province), Gasabo (City of Kigali), Kicukiro (City of Kigali), Nyarugenge (City of Kigali), and Bugesera (Eastern Province).

Section II. Amendments to the Original Financing Agreement

The Original Financing Agreement is amended as follows:

1. *Section 3.01 of Article III of the Original Financing Agreement is amended and restated as set forth in Article III section 3.01 to this Agreement.*
2. *Section 4.01 of Article IV of the Original Financing Agreement is amended by adding the following sub-section (c):*

(c) any action has been taken for the dissolution, disestablishment or suspension of operation (including cancellation of license to operate as a financial institution) of the RTDA.
3. *Part 2 of the Project description in Schedule 1 of the Original Financing Agreement is amended and restated as set forth in Part 2 of Schedule 1 of this Agreement.*
4. *Section I.A of Schedule 2 of the Original Financing Agreement amended by adding the following subsections 10 and 11:*

RTDA-SPIU

10. The Recipient shall cause RTDA to: (a) maintain, within RTDA, the Single Project Implementation Unit (RTDA-SPIU) throughout Project implementation, with a coordinator, procurement specialist, financial specialist, environmental specialist, social safeguard specialist, contract management specialist, project accountant, and other technical specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the RTDA-SPIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Implementation Manual.
 11. The RTDA-SPIU shall be responsible for day-to-day management and implementation of Part 1.B(a) of the Project, including all transport infrastructure construction, financial management, procurement, safeguards, supervision, and monitoring and evaluation.
5. *Section I.B of Schedule 2 of the Original Financing Agreement is amended and restated as set forth in Section I.B of Schedule 2 of this Agreement*
 6. *Section I.E of Schedule 2 of the Original Financing Agreement is amended and restated as set forth in Section I.E of Schedule 2 of this Agreement*

7. *Section I.F of Schedule 2 of the Original Financing Agreement is amended and restated as set forth in Section I.F of Schedule 2 of this Agreement.*
8. *Section I of Schedule 2 of the Original Financing Agreement is amended by adding the following sub-section G:*

“RTDA Subsidiary Agreement

1. In order to facilitate the carrying out of Part 1.B(a) of the Project, the Recipient shall make the proceeds of the Financing allocated to Category (5) available, subject to withdrawal conditions in Section III.B of this Schedule, to the RTDA under a subsidiary agreement (“RTDA Subsidiary Agreement”) to be entered into between the Recipient and the RTDA, under terms and conditions approved by the Association, which shall include the following:
 - (a) financial terms and conditions of the RTDA Subsidiary Financing, as further defined in the PIM;
 - (b) the obligation of the RTDA to carry out Part 1.B(a) of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 1.B(a) of the Project;
 - (c) the obligation of the RTDA to: (i) exchange views with the Recipient, and the Association with regard to the progress of Part 1.B(a) of the Project, and the performance of its obligations under the RTDA Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Part 1.B(a) of the Project;
 - (d) the obligation of the RTDA to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part 1.B(a) of the Project, including but not limited to any Project-related accident or incident;
 - (e) the obligation of the RTDA to ensure that Part 1.B(a) of the Project is carried out in accordance with the Safeguard Instruments and the PIM
 - (f) the obligation of the RTDA to carry out Part 1.B(a) of the Project in compliance with the Anti-Corruption Guidelines;

- (g) the obligation of the RTDA to carry out Part 1.B(a) of the Project in accordance with the Procurement Regulations;
- (h) the obligation of the RTDA 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 Part 1.B(a) of the Project; and (ii) 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; and
- (i) the right of the Recipient to take remedial actions against the RTDA, in case the RTDA shall have failed to comply with any of its obligations under the RTDA Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the RTDA Subsidiary Financing transferred to the RTDA pursuant to the RTDA Subsidiary Agreement (as the case may be).

2. The Recipient shall exercise its rights under the RTDA Subsidiary 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 RTDA Subsidiary Agreement or any of its provisions.

9. *The table under Section III.A of Schedule 2 of the Original Financing Agreement is amended and restated as follows:*

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for Part 1.A and 1.B(b)-(e) of the Project	20,600,000	2,800,000	Up to 100%

(2) Matching Grants under Part 2(a) of the Project		5,800,000	100%
(3) Goods, non-consulting services, consulting services, Training, and Incremental Operating Costs under Part 2(b) of the Project		700,000	100%
(4) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for Parts 3 and 4 of the Project		8,600,000	100%
(5) Goods, works, non-consulting services, consulting services, and Operating Costs for Part 1.B (a) of the Project	4,500,000		100%
TOTAL AMOUNT	25,100,000	17,900,000	

10. *Section III.B of Schedule 2 of the Original Financing Agreement is amended by adding the following subsection C:*

“under Category (5), unless and until the RTDA Subsidiary Agreement is signed with the Recipient, in form and substance satisfactory to the Association, and in accordance with Section I.G of Schedule 2 to this Agreement”

11. The Closing Date set forth in Section III.B (2) of the Original Financing Agreement shall be the date October 30, 2026

12. *The Appendix to the Original Financing Agreement is amended by adding the following definitions in alphabetical order, and the rest of the definitions renumbered accordingly:*

“Rwanda Transport Development Agency” or the acronym “RTDA” means the Recipient’s transport development agency established under the LAW N°02/2010 OF 20/01/2010

“RTDA-SPIU” means the single project implementation unit established within RTDA, and referred to in Section I.A. of Schedule 2 to this Agreement

“RTDA Subsidiary Agreement” means the agreement to be entered into between the Recipient and RTDA and referred to in Section I.G. of Schedule 2 to this Agreement.

“Urban Areas” means the following five Recipient’s Districts: Huye (Southern Province), Gasabo (City of Kigali), Kicukiro (City of Kigali), Nyarugenge (City of Kigali), and Bugesera (Eastern Province).