

**CONFORMED COPY**

**GRANT NUMBER H271-0 RW**

# **Financing Agreement**

**(Additional Financing for Multi-Sectoral HIV/AIDS Project)**

**between**

**REPUBLIC OF RWANDA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated February 5, 2007**

**GRANT NUMBER H271-0 RW**

**FINANCING AGREEMENT**

AGREEMENT, dated February 5, 2007, entered into between REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). the Recipient and the Association hereby agree as follows:

**ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

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

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to six million seven hundred thousand Special Drawing Rights (SDR 6,700,000) (“Grant”) to assist in financing the Project (as defined in the Appendix to this Agreement).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 1 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is the Dollar.

**ARTICLE III —PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through CNLS in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 1 to this Agreement.

**ARTICLE IV – REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out; and
  - (b) the CNLS Arrêté shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of CNLS to implement the Project.

**ARTICLE V – EFFECTIVENESS; TERMINATION**

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

**ARTICLE VI –REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is the minister at the time responsible for finance.
- 6.02. The Recipient's Address is:

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

Cable address:  
MINFIN-RWANDA  
MINFIN-RWA

Telex:  
22687

Facsimile:  
(250)577581

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	

AGREED at Washington, DC, United States of America, as of the day and year first above written.

**REPUBLIC OF RWANDA**

**By /s/ Zac Nsenga**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Pedro Alba**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Execution**

#### **Section I. Institutional and Other Arrangements**

The provisions of Article III of the Original Financing Agreement are incorporated herein by reference. In case of inconsistency between the provisions of Article III of the Original Financing Agreement and the provisions of this Schedule, the provisions of this Schedule shall prevail.

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

##### **A. Project Reports.**

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

##### **B. Financial Management, Financial Reports and Audits.**

1. The provisions of Article IV of the Original Financing Agreement are incorporated herein by reference. In case of inconsistency between the provisions of Article IV of the Original financing Agreement and the provisions of this Schedule, the provisions of this Schedule shall prevail.

#### **Section III. Procurement**

Schedule 3 to the Original Financing Agreement is incorporated herein by reference.

#### **Section IV. Withdrawal of the Proceeds of the Financing**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the

amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed</u>
(1) Works	0	
(2) Goods		100
(a) Drugs and HIV/AIDS Prevention Commodities	1,700,000	
(b) Equipment and Vehicles	140,000	
(3) Consultants' Services, including audits	0	100
(4) Training	0	100
(5) Work plans under Part A of the Project, including goods, supplies, training, workshops and incremental operating costs	1,800,000	100
(6) Sub-Grants under Part C of the Project	2,660,000	100
(7) Operating Costs	400,000	100
<b>TOTAL AMOUNT</b>	<b>6,700,000</b>	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$1,000,000 equivalent may be made for payments made prior to this date but on or after December 27, 2006, for Eligible Expenditures under Categories (2), (5), (6), and (7).
2. The Closing Date is October 30, 2008.

## APPENDIX

### Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 1 to this Agreement.
2. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
3. “Operating Costs” means the incremental expenses incurred on account of implementation of the Project, management and monitoring, including fuel and maintenance for vehicles, equipment operation and maintenance, utilities, office supplies, communication expenses, staff travel, subsistence and representation allowances, salaries for contractual and temporary staff, management fees, but excluding salaries of officials of the Recipient’s civil service.
4. “Original Financing Agreement” means the Development Grant Agreement for a Multi-sectoral HIV/AIDS Project between the Recipient and the Association, dated May 13, 2003, as amended on December 8, 2004 (Grant No. H029 RW).
5. “Original Project” means the Project described in the Original Financing Agreement.
6. “Program” means the program designed to prevent and control the spread of the HIV/AIDS epidemic and set forth or referred to in the Recipient’s “2005-2009 Strategic Plan for HIV/AIDS”.
7. “Project” means the Original Project, whose development objectives and description remain unchanged.