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**GRANT NUMBER H426-RW**

# **Project Agreement**

**(Regional Communications Infrastructure Program (Phase 2):  
Rwanda Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**RWANDA INFORMATION TECHNOLOGY AUTHORITY**

**Dated October 20, 2008**

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**PROJECT AGREEMENT**

AGREEMENT dated October 20, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and RWANDA INFORMATION TECHNOLOGY AUTHORITY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement of same date between the Republic of Rwanda (“Recipient) and the Association (“Financing Agreement”). The Association and the Project Implementing Entity hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

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

**ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project and the Program. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services, and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

3.01. The Project Implementing Entity's Representative is its Executive Director.

3.02. The Association's address is:

For the Association:

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

Cable:

Telex:

Facsimile:

INTBAFRAD  
Washington, D.C.

248423(MCI) or  
64145(MCI)

1-202-477-6391

3.03. The Project Implementing Entity's Address is:

Telecom House  
Third Floor  
Boulevard de l'Umuganda  
P. O. Box 7229  
Kigali, Rwanda

Facsimile:

250-58-32-22

AGREED at Kigali, Rwanda, as of the day and year first above written.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /S/ Victoria Kwakwa**

**Authorized Representative**

**RWANDA INFORMATION TECHNOLOGY AUTHORITY**

**By /S/ Nkubito Bakuramutsa**

**Authorized Representative**

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

###### Recipient Ministry at the Time Responsible for Information and Communications Technology

1. Without limitation upon the provisions of paragraph 3 of this Section, the Recipient's ministry at the time responsible for information and communications technology shall be responsible for strategic and policy oversight and coordination of the Project.

###### Project Implementing Entity

2. Without limitation upon the provisions of paragraph 1 of this Section, the Project Implementing Entity shall be responsible for implementation and monitoring and evaluation of and financial and administrative management and procurement under the Project.
3. The Project Implementing Entity shall maintain, throughout Project implementation: (i) the lead technical manager referred to in Section 5.01 (b) of the Financing Agreement; (ii) a financial management specialist; (iii) a procurement specialist; and (iv) other key staff necessary for Project implementation, all with qualifications, experience, and terms of reference satisfactory to the Association and appointed in accordance with Section III of Schedule 2 to the Financing Agreement as applicable.

##### B. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

##### C. Manual

1. The Project Implementing Entity shall: (i) ensure that the Project is carried out in accordance with the provisions of the Project Operations Manual; and (ii) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement, the latter shall prevail.

**D. Safeguards**

1. The Project Implementing Entity shall prepare Environmental Management Plans and Resettlement Action Plans, all in form and substance satisfactory to the Association, as required in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, as the case may be.
2. The Project Implementing Entity shall: (i) ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework, the Resettlement Policy Framework, any Environmental Management Plans, and any Resettlement Action Plans; and (ii) except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
3. In the event of any conflict between the provisions of the Environmental and Social Management Framework, the Resettlement Policy Framework, an Environmental Management Plan, or a Resettlement Action Plan, and those of this Agreement, the latter shall prevail.
4. The Project Implementing Entity shall be responsible, in consultation with the Rwanda Environmental Management Authority, for implementation of the Environmental and Social Management Framework, the Resettlement Policy Framework, any Environmental Management Plans, and any Resettlement Action Plans.

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

**A. Project Reports**

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators set forth below in subparagraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient and the Association not later than 45 days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

<b>No.</b>	<b>Indicator</b>
1.	Volume of international traffic (Megabits / second)
2.	Volume of national traffic (Internet user penetration and total teledensity (fixed and mobile))
3.	Average price of international communications (Price of a wholesale international capacity link from the territory of the Recipient to a European hub)

2. The Project Implementing Entity shall prepare, or cause to be prepared, and furnish to the Recipient and the Association not later than five (5) months after the Closing Date: (i) a report, of such scope and in such detail as the Association shall reasonably request, on the execution of the Project, the performance by the Recipient, the Project Implementing Entity, and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing; and (ii) a plan designed to ensure the sustainability of the Project's achievements.

**B. Financial Management, Financial Reports; Audits**

1. The Project Implementing Entity shall 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association, not later than 45 days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

**Section III. Procurement**

All goods, works, and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

**Section IV. Other Undertakings**

**A. External Auditors**

The Project Implementing Entity shall, no later than three (3) months after the Effective Date, appoint, in accordance with the provisions of Section III of this Schedule as applicable, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the carrying out of the audit referred to in Section II.B.3 of this Schedule.

**B. Annual Work Plans and Budgets**

The Project Implementing Entity shall furnish to the Association as soon as available, but in any case not later than one (1) month before the beginning of each fiscal year of the Project Implementing Entity, the annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date.

**C. Semi-Annual Reviews**

The Project Implementing Entity shall review with the Recipient and the Association, no later than one (1) month after its transmittal to the Association, or such later date as the Association shall request, the report referred to in Section II.A.1 (a) of this Schedule, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Recipient's and the Association's views on the matter.

**D. Midterm Review**

The Project Implementing Entity shall:

- (a) carry out jointly with the Recipient and the Association, no later than 30 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; (v) environmental and social safeguards screened and actions taken in relation thereto; and (vi) Project implementation arrangements; and make adjustments to the Project and reallocate funds to improve performance, if needed;



- (b) prepare and furnish to the Recipient and the Association, three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
  
  - (c) review, jointly with the Recipient and the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Recipient's and the Association's views on the matter.
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