

## ***Ibirimo/Summary/Sommaire***

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#### **N° 029/2019 ryo ku wa 07/10/2019**

Itegeko ryemera kwemeza burundu Amasezerano y'inguzanyo yashyiriweho umukono i Kigali mu Rwanda ku wa 01 Kanama 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS) agenewe umushinga w'uburezi bwiza bw'ibanze bugamije kubaka ubushobozi mu Rwanda.....4

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miliyoni cumi n'ebiyiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS) agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza - Icyiciro cya 1.....65

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UMUKONO I KIGALI MU RWANDA KU WA  
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REPUBULIKA Y'U RWANDA N'IKIGEKA  
MPUZAMAHANGA GITSURA  
AMAJYAMBERE, YEREKERANYE  
N'INGUZANYO INGANA NA MILIYONI  
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THE REPUBLIC OF RWANDA AND THE  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION, RELATING TO THE  
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MILLION TWO HUNDRED THOUSAND  
SPECIAL DRAWING RIGHTS (SDR  
145,200,000) FOR RWANDA QUALITY  
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**LOI N° 029/2019 DU 07/10/2019  
APPROUVANT LA RATIFICATION DE  
L'ACCORD DE FINANCEMENT SIGNÉ À  
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ENTRE LA RÉPUBLIQUE DU RWANDA ET  
L'ASSOCIATION INTERNATIONALE DE  
DÉVELOPPEMENT, RELATIF AU CRÉDIT  
DE CENT QUARANTE CINQ MILLIONS  
DEUX CENT MILLE DROITS DE TIRAGE  
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**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

**We, KAGAME Paul,**  
President of the Republic;

**Nous, KAGAME Paul,**  
Président de la République ;

**INTEKO ISHINGA AMATEGEKO YEMEJE, NONE NATWE DUHAMIJE, DUTANGAJE ITEGEKO RITEYE RITYA KANDI DUTEGETSE KO RITANGAZWA MU IGAZETI YA LETA YA REPUBULIKA Y'U RWANDA**

**THE PARLIAMENT HAS ADOPTED AND WE SANCTION, PROMULGATE THE FOLLOWING LAW AND ORDER IT BE PUBLISHED IN THE OFFICIAL GAZETTE OF THE REPUBLIC OF RWANDA**

**LE PARLEMENT A ADOPTÉ ET NOUS SANCTIONNONS, PROMULGUONS LA LOI DONT LA TENEUR SUIT ET ORDONNONS QU'ELLE SOIT PUBLIÉE AU JOURNAL OFFICIEL DE LA RÉPUBLIQUE DU RWANDA**

**INTEKO ISHINGA AMATEGEKO:**

**THE PARLIAMENT:**

**LE PARLEMENT:**

Umutwe w'Abadepite, mu nama yawo yo ku wa 6 Nzeri 2019;

The Chamber of Deputies, in its session of 6 September 2019;

La Chambre des Députés, en sa séance du 6 septembre 2019;

Isingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavugururwe mu 2015,

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses articles

cyane cyane mu ngingo zaryo, iya 64, iya 69, iya 70, iya 88, iya 90, iya 91, iya 93, iya 106, iya 120, iya 167, iya 168 n'iya 176;

Imaze gusuzuma Amasezerano y'inguzanyo yashyiriweho umukono i Kigali mu Rwanda ku wa 01 Kanama 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mironko ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS) agenewe umushinga w'uburezi bwiza bw'ibanze bugamije kubaka ubushobozi mu Rwanda;

**YEMEJE:**

**Ingingo ya mbere: Kwemera kwemeza burundu**

Amasezerano y'inguzanyo yashyiriweho umukono i Kigali mu Rwanda ku wa 01 Kanama 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mironko ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS) agenewe umushinga w'uburezi bwiza bw'ibanze bugamije kubaka ubushobozi mu Rwanda ari ku mugereka, yemerewe kwemezwa burundu.

Articles 64, 69, 70, 88, 90, 91, 93, 106, 120, 167, 168 and 176;

After consideration of the Financing Agreement signed at Kigali, Rwanda on 01 August 2019, between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000) for Rwanda Quality Basic Education for Human Capital Development project;

**ADOPTS:**

**Article one: Approval for ratification**

The Financing Agreement signed at Kigali, Rwanda on 01 August 2019, between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000) for Rwanda Quality Basic Education for Human Capital Development project, in annex, is approved for ratification.

64, 69, 70, 88, 90, 91, 93, 106, 120, 167, 168 et 176;

Après examen de l'Accord de financement signé à Kigali, au Rwanda le 01 août 2019, entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS) pour le Projet d'Éducation de Base pour le Développement du Capital Humain au Rwanda;

**ADOpte:**

**Article premier: Approbation pour ratification**

L'Accord de financement signé à Kigali, au Rwanda le 01 août 2019, entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS) pour le Projet d'Éducation de Base pour le Développement du Capital Humain au Rwanda, en annexe, est approuvé pour ratification.

**Ingingo ya 2: Itegurwa, isuzumwa n'itorwa by'iri tegeko**

Iri tegeko ryateguwe mu rurimi rw'Icyongereza, risuzumwa kandi ritorwa mu rurimi rw'Ikinyarwanda.

**Ingingo ya 3: Igihe iri tegeko ritangira gukurikizwa**

Iri tegeko ritangira gukurikizwa ku munsiri tangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 07/10/2019

(Sé)

**KAGAME Paul**  
Perezida wa Repubulika

(Sé)

**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)

**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Drafting, consideration and adoption of this Law**

This Law was drafted in English, considered and adopted in Ikinyarwanda.

**Article 3: Commencement**

This Law comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 07/10/2019

(Sé)

**KAGAME Paul**  
President of the Republic

(Sé)

**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)

**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Initiation, examen et adoption de la présente loi**

La présente loi a été initiée en anglais, examinée et adoptée en Ikinyarwanda.

**Article 3: Entrée en vigueur**

La présente loi entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 07/10/2019

(Sé)

**KAGAME Paul**  
Président de la République

(Sé)

**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)

**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

**UMUGEREKA W'ITEGEKO N° 029/2019  
RYO KU WA 07/10/2019 RYEMERA  
KWEMEZA BURUNDU AMASEZERANO  
Y'INGUZANYO YASHYIRIWEHO  
UMUKONO I KIGALI, MU RWANDA, KU  
WA 01 KANAMA 2019, HAGATI YA  
REPUBLICA Y'U RWANDA N'IKIGEGA  
MPUZAMAHANGA GITSURA  
AMAJYAMBERE, YEREKERANYE  
N'INGUZANYO INGANA NA MILIYONI  
IJANA NA MIRONGO INE N'ESHANU  
N'IBIHUMBI MAGANA ABIRI  
Z'AMADETESI (145.200.000 DTS),  
AGENEWE UMUSHINGA W'UBUREZI  
BWIZA BW'IBANZE BUGAMIJE KUBAKA  
UBUSHOBOZI MU RWANDA**

**ANNEX TO LAW N° 029/2019 OF 07/10/2019  
APPROVING THE RATIFICATION OF THE  
FINANCING AGREEMENT SIGNED AT  
KIGALI, RWANDA ON 01 AUGUST 2019,  
BETWEEN THE REPUBLIC OF RWANDA  
AND THE INTERNATIONAL  
DEVELOPMENT ASSOCIATION,  
RELATING TO THE CREDIT OF ONE  
HUNDRED FORTY-FIVE MILLION TWO  
HUNDRED THOUSAND SPECIAL  
DRAWING RIGHTS (SDR 145,200,000) FOR  
RWANDA QUALITY BASIC EDUCATION  
FOR HUMAN CAPITAL DEVELOPMENT  
PROJECT**

**ANNEXE À LA LOI N° 029/2019 DU 07/10/2019  
APPROUVANT LA RATIFICATION DE  
L'ACCORD DE FINANCEMENT SIGNÉ À  
KIGALI, AU RWANDA LE 01 AOÛT 2019,  
ENTRE LA RÉPUBLIQUE DU RWANDA ET  
L'ASSOCIATION INTERNATIONALE DE  
DÉVELOPPEMENT, RELATIF AU CRÉDIT  
DE CENT QUARANTE CINQ MILLIONS  
DEUX CENT MILLE DROITS DE TIRAGE  
SPÉCIAUX (145.200.000 DTS) POUR LE  
PROJET D'ÉDUCATION DE BASE POUR LE  
DÉVELOPPEMENT DU CAPITAL HUMAIN  
AU RWANDA**



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**CREDIT NUMBER: 6475-RW**

# **Financing Agreement**

**(Rwanda Quality Basic Education for Human Capital Development Project)**

**between**

**REPUBLIC OF RWANDA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER: 6475-RW**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between the REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000) (variously, "Credit" and "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 Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are January 15 and July 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. 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 carry out Parts 1.3, 1.4, 2.1 3.1, 3.2 of the Project through MINEDUC and Parts 1, 2.2, 2.3, 3.1, and 3.2 of the Project through REB in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement.

### **ARTICLE IV —TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is the Minister responsible for finance.

- 5.02. 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:

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

- 5.03. 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:

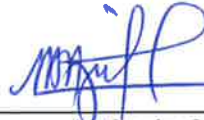
248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF RWANDA**

**By**



\_\_\_\_\_  
Authorized Representative

**Name:** Dr. Uzziel NDAGUMANA

**Title:** Minister

**Date:** 01/08/2019



**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



\_\_\_\_\_  
Authorized Representative

**Name:** Yasser EL-Gammal

**Title:** Country Manager

**Date:** August 1, 2019



## SCHEDULE 1

### Project Description

The objective of the Project is to improve teacher competency and student retention and learning in basic education.

The Project consists of the following parts:

#### Part 1. Enhancing teacher effectiveness for improved student learning

1.1. Improve teachers' English language proficiency and digital skills through, *inter alia*, development and delivery of facilitated online courses and assessments. This includes (a) providing self-study and face-to-face training and mentoring on English language and digital skills, (b) supporting development and review of English language course materials, (c) reviewing digital literacy course material currently used in the country, (d) creating digital versions of the English language and digital literacy course materials and assessments, (e) providing printed version of course materials to school libraries; and (f) strengthening the electronic platform owned by REB to host the online courses.

1.2. Support professional development of math and science teachers in upper primary through lower secondary schools by, *inter alia*: (a) modernizing instructional tools for teaching mathematics and science, including use of high-quality scripted lessons for students, provision of complementary inputs such as laptop computers, projectors and science kits, and use of virtual science laboratories and project-based learning; and (b) enhancing teacher content knowledge and pedagogical practice, including use of a package of instructional tools and training of teachers, as well as instructional leaders to support teachers.

1.3. Strengthen the preparation of new teachers in Teacher Training Colleges ("TTCs") by, *inter alia*: (a) enhancing the capacity of TTC leaders and TTC teachers (tutors) through workshops, online courses and assessments, and enhanced tutor evaluation practices; (b) enhancing TTC student learning and preparation through development and dissemination of new curriculum textbooks, establishment of a language and digital skills mentor program, provision of quality practical training, and improved formative assessment strategies; (c) improving teaching and learning environment within the TTCs, including construction and renovation of physical infrastructure of TTCs, provision of basic ICT facilities, equipment and teaching and learning materials, and provision of an essential package for gender sensitive teaching and learning; and (d) strengthening communities of practice across TTCs through establishment of a system of institutional peer review and feedback, a TTC peer-learning journal, and a national conference for innovative teaching and learning practices.

1.4. Develop model schools to support innovative instructional practices by, *inter alia*: (a) building the capacity of model schools to develop innovative teaching and learning

practice through provision of training to strengthen management and instructional capacity, development of communities of practice, study visits for school leaders and teachers to learn from best practice, development of an essential package encompassing gender sensitive teaching and learning, establishing coding clubs for boys and girls, improvement of infrastructure and facilities, and provision of materials for students with special needs; (b) supporting TTC students through mentoring and coaching, joint lesson plan and assessment development, observations, co-teaching, and improved formative assessment strategies; and (c) disseminating innovative teaching and learning practices to other schools in the country through development and sharing of model lessons across various platforms, hosting of teachers from other schools for observations and workshops, performing outreach to other schools, and participation in national symposium on teaching and learning.

**Part 2. Improving the school environment to support student learning**

2.1. Reduce overcrowding and distance to schools by, *inter alia*: (a) constructing additional classrooms, including latrines and equipping classrooms with furniture to improve the learning environment in existing schools; (b) constructing new schools for pre-primary and primary grades; (c) providing support for the development of a national school construction and maintenance strategy, and (d) supporting construction site assessments and safeguards measures required for compliance with environment and social standards.

2.2. Enrich early learning environment by, *inter alia*: (a) developing audio-visual programs for early learning (pre-primary to grade 3 of primary), including radio, and on-line and off-line platforms; and (b) providing a basic package of teaching and learning materials for pre-primary classes.

2.3. Support gender sensitive teaching and learning environment by, *inter alia*: (a) developing a school-wide gender sensitive teaching and learning environment in model schools through provision of training for school leaders, teachers, students and staff and setting up student clubs to discuss key gender-related topics; and (b) supporting behavior change communication around key education issues related to gender across the country through various national platforms

**Part 3: Developing institutional capacity to strengthen teaching and learning**

3.1. Support quality assurance systems by, *inter alia*: (a) improving quality of candidates entering the teaching profession at the primary level through establishment of national teacher standards and improving national teacher recruitment policy; (b) strengthening the school inspection system by completing digitization of school inspection system, providing training to inspectors to support teachers and facilitate useful feedback, (c) strengthening the national learning assessment system and strategy, including conducting a technical review of LARS and improving assessment instruments; and (d) participating in regional or international student learning assessment.

3.2. Strengthen Project management, implementation and monitoring capacity including, financing of Incremental Operating Costs and SPIU staff cost (including engineers and social and environment staff based at the district level), and provision of consultants' services, goods (such as equipment and furniture) and Training to the MINEDUC-SPIU and REB-SPIU, as well as provision of technical assistance for Project planning, monitoring and evaluation, financial management, procurement, and compliance with environment and social standards.



## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

###### *Steering Committee*

1. The Recipient shall no later than two (2) weeks after the Effective Date, fully establish and thereafter maintain during Project implementation, a Steering Committee to be responsible for providing guidance, overseeing, and reviewing progress of implementation of the Project, which committee shall have composition and mandate acceptable to the Association and be headed by high level representatives of agencies implementing the Project, their respective SPIUs, and representatives of MINECOFIN, Ministry of Local Government, Ministry of Infrastructure, Rwanda Development Board, Rwanda Information Society Authority, Rwanda Housing Authority, University of Rwanda, National Early Childhood Development Programme, and other relevant institutions that might be appropriate as further detailed in the POM.

###### *MINEDUC-SPIU*

2. The Recipient shall no later than eight (8) weeks after the Effective Date, establish with core staff and thereafter maintain during Project implementation, the MINEDUC-SPIU to be responsible, with respect to Parts 1.3, 1.4, 2.1, 3.1 and 3.2 of the Project, for overseeing overall coordination, administration and financial management, internal audit, disbursement, procurement, monitoring and evaluation, planning operations, environmental and social matters, and communication under said Parts, and composed of key staff, with qualifications and under terms of reference acceptable to the Association, and as further detailed in the POM.

###### *REB-SPIU*

3. The Recipient shall no later than eight (8) weeks after the Effective Date, establish with core staff and thereafter maintain during Project implementation, the REB-SPIU to be responsible, with respect to Parts 1, 2.2, 2.3, and 3.1, and 3.2 of the Project, for overseeing coordination, administration and financial management, internal audit, disbursement, procurement, monitoring and evaluation, and planning operations for project activities under said Parts, and composed of key staff, with qualifications and under terms of reference acceptable to the Association, and as further detailed in the POM.

**B. Manuals**

1. *Project Operation Manual*

The Recipient shall:

- (a) Prepare and furnish to the Association for approval;
  - (i) a Project Operations Manual ("POM") setting out detailed guidelines, methods and procedures for the implementation of the Project, including: (A) Project description and roles and responsibilities; (B) administration and coordination; (C) budget and budgetary control; (D) disbursement procedures and banking arrangements; (E) financial, procurement and accounting procedures; (F) internal control procedures; (G) accounting system and transaction records; (H) reporting requirements; (I) audit arrangements; (J) corruption and fraud mitigation measures; (K) environment and social safeguards requirements; and (L) such other arrangements and procedures as shall be required for the effective implementation of the Project; and
- (b) within one (1) week after the Effective Date, adopt such POM as shall have been approved by the Association and thereafter, implement the Project and cause the Project to be implemented in accordance with the POM.

*Construction Operation Manual*

- 2. The Recipient shall prepare and furnish to the Association for approval, a Construction Operation Manual ("COM") setting out detailed guidelines, methods and procedures for construction activities to be carried out under the Project and adopt such COM as shall have been approved by the Association and thereafter, implement the Project in accordance with the requirements of the COM.

*Maintenance of POM and COM*

- 3. The Recipient shall ensure that the POM and the COM are not assigned, amended, abrogated or waived without the prior written approval of the Association.
- 4. In case of any conflict between the terms of any of POM, and the COM and those of this Agreement, the terms of this Agreement shall prevail.

**C. Environmental and Social Standards.**

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:
- (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and any management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
4. The Recipient shall maintain and publicize the availability of a grievance 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.

**D. Annual Work Plan and Budget**

1. Each year the Recipient shall prepare a draft annual work plan and budget ("AWPB") for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than April 1 of each year, the AWPB and the evidences referred to in paragraph 1 above, for their review and approval. Only the activities included in an AWPB expressly approved by the Association are eligible to a financing from the proceeds of the Financing.
3. The Recipient shall ensure that the Project is carried out in accordance with the AWPB.

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

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**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:

| <b>Category</b>   | <b>Amount of the Credit Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|---|--|---|
| (1) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training under Parts 1, 2.2, 2.3, and 3 of the Project and implemented by, or related to implementation by REB | 34,900,000   | 100%  |

| <b>Category</b>   | <b>Amount of the Credit Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|---|--|---|
| (2) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training under Part 3 of the Project and implemented by MINEDUC      | 5,600,000  | 100%  |
| (3) Works, goods, non-consulting services, and consulting services, all for school construction under Parts 1 and 2 of the Project and implemented by MINEDUC | 104,700,000  | 100%  |
| <b>TOTAL AMOUNT</b>   | <b>145,200,000</b>                                       |   |

**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, except that withdrawals up to an aggregate amount not to exceed \$32,000,000 may be made for payments made prior to this date but on or after April 1, 2019, for Eligible Expenditures under Categories (2) and (3) up to an amount not to exceed \$31,900,000 and under Category (1) up to an amount not to exceed \$100,000; or
  - (b) under Category (3) until the Association notifies the Recipient that the Association is satisfied with the COM prepared and adopted in accordance with Section I.B.2 of this Schedule.
2. The Closing Date is October 31, 2024.

**SCHEDULE 3**

**Repayment Schedule**

| Date Payment Due   | Principal Amount of the Credit repayable (expressed as a percentage)* |
|--|---|
| On each January 15 and July 15, commencing January 15, 2026 to and including July 15, 2057 | 1.5625%   |

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

## APPENDIX

### 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. "AWPB" means the Annual Work Plan and Budget to be prepared, approved and implemented in accordance with Section I.D of Schedule 2 to this Agreement.
3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. "CBC" means Competency-Based Curriculum.
5. "Construction Operation Manual" or "COM" means the manual referred to in Section I.B.2 and Section III.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
6. "E-learning" means learning utilizing electronic technologies to access educational curriculum outside of a traditional classroom.
7. "Environmental and Social Commitment Plan" or the acronym "ESCP" means the Recipient's environmental and social commitment plan, acceptable to the Association, dated June 26, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
8. "Environmental and Social Standards" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental

and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association at <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.

9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
10. “Incremental Operating Costs” means the reasonable incremental costs, as shall have been approved by the Association, incurred by the Recipient, on account of Project administration, implementation, monitoring and supervision consisting of vehicle and motorcycle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and *per diem* for Project staff for travel linked to the implementation, monitoring and supervision of the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
11. “ICT” means Information and Communication Technology.
12. “Ministry of Finance and Economic Planning” or “MINECOFIN” means the Recipient’s ministry in charge of finance; or any successor thereto.
13. “MINEDUC” means the Recipient’s Ministry of Education, and any successor thereto.
14. “MINEDUC-SPIU” means the Single Project Implementation Unit established in the Recipient’s Ministry of Education and referred to in Section I.A.2 of Schedule 2 to this Agreement.
15. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
16. “Project Operations Manual” or “POM” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
17. “REB” means the Rwanda Education Board established pursuant to Law No. 44/2010 published in the Official Gazette on January 14, 2011.
18. “REB-SPIU” means the Single Project Implementation Unit established in the Rwanda Education Board and referred to in Section I.A.3 of Schedule 2 to this Agreement.



19. "Safeguards Instruments" means any document/instrument prepared by the Recipient pursuant to the ESCP to assess and/or set out material measures and actions to address the potential environmental and social risks and impacts of the Project.
20. "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.
21. "SPIU" means a Single Project Implementation Unit established in an agency implementing the Project.
22. "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.
23. "TTC" means Teacher Training College.

Bibonywe kugira ngo bishyirwe ku mugereka w' Itegeko n° 029/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo yashyiriweho umukono i Kigali mu Rwanda ku wa 01 Kanama 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS) agenewe umushinga w'uburezi bwiza bw'ibanze bugamije kubaka ubushobozi mu Rwanda

Kigali, ku wa 07/10/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Seen to be annexed to Law n° 029/2019 of 07/10/2019 approving the ratification of the Financing Agreement signed at Kigali, Rwanda on 01 August 2019, between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000) for Rwanda Quality Basic Education for Human Capital Development Project

Kigali, on 07/10/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Vu pour être annexé à la Loi n° 029/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement signé à Kigali, au Rwanda le 01 août 2019, entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante- cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS) pour le Projet d'Education de Base pour le Développement du Capital Humain au Rwanda

Kigali, le 07/10/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

**ITEGEKO N° 030/2019 RYO KU WA 07/10/2019 RYEMERA KWEMEZA BURUNDU AMASEZERANO Y'INGUZANYO Y'INYONGERA YASHYIRIWEHO UMUKONO I KIGALI MU RWANDA KU WA 12 KAMENA 2019 HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA NYAFURIKA GITSURA AMAJYAMBERE, YEREKERANYE N'INGUZANYO Y'INYONGERA INGANA NA MILIYONI CUMI N'ESHESHATU N'IBIHUMBI MAGANA ANE BYA UNITÉS DE COMPTE (16.400.000 UC) AGENEWE GAHUNDA YA II YO KONGERA UBURYO BWO KWEGEREZA ABATURAGE AMASHANYARAZI (SEAP II)**

**LAW N° 030/2019 OF 07/10/2019 APPROVING RATIFICATION OF THE ADDITIONAL FINANCING LOAN AGREEMENT SIGNED IN KIGALI, RWANDA ON 12 JUNE 2019 BETWEEN THE REPUBLIC OF RWANDA AND THE AFRICAN DEVELOPMENT FUND, RELATING TO THE ADDITIONAL LOAN OF SIXTEEN MILLION FOUR HUNDRED THOUSAND UNITS OF ACCOUNT (UA 16,400,000) FOR SCALING UP ELECTRICITY ACCESS PROGRAM II (SEAP II)**

**LOI N° 030/2019 DU 07/10/2019 APPROUVANT LA RATIFICATION DE L'ACCORD DE FINANCEMENT ADDITIONNEL DE PRÊT SIGNÉ À KIGALI, AU RWANDA LE 12 JUIN 2019 ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS AFRICAIN DE DÉVELOPPEMENT, RELATIF AU PRÊT ADDITIONNEL DE SEIZE MILLIONS QUATRE CENT MILLE UNITÉS DE COMPTE (16.400.000 UC) POUR LE SECOND PROGRAMME D'AMÉLIORATION DE L'ACCÈS À L'ÉLECTRICITÉ (SEAP II)**

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**LOI N° 030/2019 DU 07/10/2019 APPROUVANT LA RATIFICATION DE L'ACCORD DE FINANCEMENT ADDITIONNEL DE PRÊT SIGNÉ À KIGALI, AU RWANDA LE 12 JUIN 2019 ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS AFRICAIN DE DÉVELOPPEMENT, RELATIF AU PRÊT ADDITIONNEL DE SEIZE MILLIONS QUATRE CENT MILLE UNITÉS DE COMPTE (16.400.000 UC) POUR LE SECOND PROGRAMME D'AMÉLIORATION DE L'ACCÈS À L'ÉLECTRICITÉ (SEAP II)**

**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

**We, KAGAME Paul,**  
President of the Republic;

**Nous, KAGAME Paul,**  
Président de la République;

**INTEKO ISHINGA AMATEGEKO YEMEJE NONE NATWE DUHAMIJE, DUTANGAJE ITEGEKO RITEYE RITYA KANDI DUTEGETSE KO RITANGAZWA MU IGAZETI YA LETA YA REPUBULIKA Y'U RWANDA**

**THE PARLIAMENT HAS ADOPTED AND WE SANCTION, PROMULGATE THE FOLLOWING LAW AND ORDER IT BE PUBLISHED IN THE OFFICIAL GAZETTE OF THE REPUBLIC OF RWANDA**

**LE PARLEMENT A ADOPTÉ ET NOUS SANCTIONNONS, PROMULGUONS LA LOI DONT LA TENEUR SUIT ET ORDONNONS QU'ELLE SOIT PUBLIÉE AU JOURNAL OFFICIEL DE LA RÉPUBLIQUE DU RWANDA**

**INTEKO ISHINGA AMATEGEKO:**

**THE PARLIAMENT:**

**LE PARLEMENT:**

Umutwe w'Abadepite, mu nama yawo yo ku wa 6 Nzeri 2019 ;

The Chamber of Deputies, in its session of 6 September 2019;

La Chambre des Députés, en sa séance du 6 septembre 2019;

Ishingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavuguruwe mu 2015,

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses

cyane cyane mu ngingo zaryo, iya 64, iya 69, iya 70, iya 88, iya 89, iya 90, iya 91, iya 93, iya 106, iya 120, iya 167, iya 168 n'iya 176;

Articles 64, 69, 70, 88, 89, 90, 91, 93, 106, 120, 167, 168 and 176;

articles 64, 69, 70, 88, 89, 90, 91, 93, 106, 120, 167, 168 et 176;

Imaze gusuzuma Amasezerano y'inguzanyo y'inyongera yashyiriweho umukono i Kigali mu Rwanda ku wa 12 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya Unités de Compte (16.400.000 UC) agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II);

After consideration of the Additional Financing Loan Agreement signed in Kigali, Rwanda on 12 June 2019 between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000) for Scaling up Electricity Access Program II (SEAP II);

Après examen de l'Accord de financement additionnel de prêt signé à Kigali, au Rwanda le 12 juin 2019 entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC) pour le Second Programme d'Amélioration de l'Accès à l'Électricité (SEAP II);

**YEMEJE:**

**ADOPTS:**

**ADOpte:**

**Ingingo ya mbere: Kwemera kwemeza burundu**

**Article One: Approval for ratification**

**Article premier: Approbation pour ratification**

Amasezerano y'inguzanyo y'inyongera yashyiriweho umukono i Kigali mu Rwanda ku wa 12 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya Unités de Compte (16.400.000 UC) agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II), ari ku mugereka, yemerewe kwemezwa burundu.

The Additional Financing Loan Agreement signed in Kigali, Rwanda on 12 June 2019 between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000) for Scaling up Electricity Access Program II (SEAP II), in annex, is approved for ratification.

L'Accord de financement additionnel de prêt signé à Kigali, au Rwanda le 12 juin 2019 entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC) pour le Second Programme d'Amélioration de l'Accès à l'Électricité (SEAP II) en annexe, est approuvé pour ratification.

**Ingingo ya 2: Itegurwa, isuzumwa n'itorwa by'iri tegeko**

Iri tegeko ryateguwe mu rurimi rw'Icyongereza, risuzumwa kandi ritorwa mu rurimi rw'Ikinyarwanda.

**Ingingo ya 3: Igihe iri tegeko ritangira gukurikizwa**

Iri tegeko ritangira gukurikizwa ku munsiri tangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 07/10/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Drafting, consideration and adoption of this Law**

This Law was drafted in English, considered and adopted in Ikinyarwanda.

**Article 3: Commencement**

This Law comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 07/10/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Initiation, examen et adoption de la présente loi**

La présente loi a été initiée en anglais, examinée et adoptée en Ikinyarwanda.

**Article 3: Entrée en vigueur**

La présente loi entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 07/10/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

**UMUGEREKA W'ITEGEKO N° 030/2019  
RYO KU WA 07/10/2019 RYEMERA  
KWEMEZA BURUNDU AMASEZERANO  
Y'INGUZANYO Y'INYONGERA  
YASHYIRIWEHO UMUKONO I KIGALI MU  
RWANDA KU WA 12 KAMENA 2019  
HAGATI YA REPUBULIKA Y'U RWANDA  
N'IKIGEGA NYAFURIKA GITSURA  
AMAJYAMBERE, YEREKERANYE  
N'INGUZANYO Y'INYONGERA INGANA  
NA MILIYONI CUMI N'ESHESHATU  
N'IBIHUMBI MAGANA ANE BYA UNITÉS  
DE COMPTE (16.400.000 UC) AGENEWE  
GAHUNDA YA II YO KONGERA UBURYO  
BWO KWEGEREZA ABATURAGE  
AMASHANYARAZI (SEAP II)**

**ANNEX TO LAW N° 030/2019 OF 07/10/2019  
APPROVING RATIFICATION OF THE  
ADDITIONAL FINANCING LOAN  
AGREEMENT SIGNED IN KIGALI,  
RWANDA ON 12 JUNE 2019 BETWEEN  
THE REPUBLIC OF RWANDA AND THE  
AFRICAN DEVELOPMENT FUND,  
RELATING TO THE ADDITIONAL LOAN  
OF SIXTEEN MILLION FOUR HUNDRED  
THOUSAND UNITS OF ACCOUNT (UA  
16,400,000) FOR SCALING UP  
ELECTRICITY ACCESS PROGRAM II  
(SEAP II)**

**ANNEXE À LA LOI N° 030/2019 DU 07/10/2019  
APPROUVANT LA RATIFICATION DE  
L'ACCORD DE FINANCEMENT  
ADDITIONNEL DE PRÊT SIGNÉ À KIGALI,  
AU RWANDA LE 12 JUIN 2019 ENTRE LA  
RÉPUBLIQUE DU RWANDA ET LE FONDS  
AFRICAIN DE DÉVELOPPEMENT, RELATIF  
AU PRÊT ADDITIONNEL DE SEIZE  
MILLIONS QUATRE CENT MILLE UNITÉS  
DE COMPTE (16.400.000 UC) POUR LE  
SECOND PROGRAMME D'AMÉLIORATION  
DE L'ACCÈS À L'ÉLECTRICITÉ (SEAP II)**





**PROGRAM ID No. : P-RW-FA0-008**

**LOAN No.: 2100150041594**

**ADDITIONAL FINANCING**

**LOAN AGREEMENT**

**BETWEEN**

**THE REPUBLIC OF RWANDA**

**AND**

**AFRICAN DEVELOPMENT FUND**

**SCALING UP ELECTRICITY ACCESS PROGRAM II  
(SEAP II)- ADDITIONAL FINANCING**

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*Handwritten signature/initials*



## LOAN AGREEMENT

### SCALING UP ELECTRICITY ACCESS PROGRAM II (SEAP II)- ADDITIONAL FINANCING

PROGRAM ID No. : P- RW-FA0-008

LOAN No. : 2100150041594

This LOAN AGREEMENT, (the "Agreement") is entered into this 12<sup>th</sup> day of June 2019 between the REPUBLIC OF RWANDA (the "Borrower") and the AFRICAN DEVELOPMENT FUND (the "Fund").

#### WHEREAS:

- (A) The Borrower has requested the Fund to provide an additional loan out of its resources, to assist in financing the additional scope under the Scaling Up Electricity Access Program II (SEAP II) (the "Program") as further described in Schedule I (*Program Description*) to this Agreement;
- (B) The Borrower's Ministry of Finance and Economic Planning ("MINECOFIN"), Ministry of Infrastructure ("MININFRA") and the Energy Development Corporation Limited ("EDCL") shall be the executing agencies (the "Executing Agencies") for the Program;
- (C) On 16 October 2018, the Borrower entered into a loan agreement No. 2000200003102 with the African Development Bank (the "Bank") for a loan of an amount not exceeding One Hundred and Sixty Five Million Five Hundred and Ninety Thousand Euros (EUR 165,590,000) to assist in the financing of the Program ( the "Initial ADB Loan Agreement");
- (D) On 16 October 2018, the Borrower entered into a loan agreement No. 2100150040243 with the Fund for a loan of an amount not exceeding Fifty-Three Million Units of Account (UA 53,000,000) to assist in the financing of the Program (the "Initial ADF Loan Agreement") ; and  
  
"The Initial ADB Loan Agreement and the Initial ADF Loan Agreements are jointly referred to as the Initial Loan Agreements".
- (E) The Fund has agreed on the basis, *inter alia*, of the foregoing to extend to the Borrower as an additional loan, the amount specified in Section 2.01



(Amount) of this Agreement on the terms and conditions set forth and /or referred to in this Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:

## ARTICLE I GENERAL CONDITIONS - DEFINITIONS

Section 1.01. **General Conditions.** The *General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities)* dated February 2009, as modified by Schedule IV (*Modifications to the General Conditions*) to this Agreement, and as the same may be amended from time to time, (the "General Conditions") constitute an integral part of this Agreement.

Section 1.02. **Definitions.** Unless the context otherwise requires, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in Schedule III (*Definitions*) to this Agreement.

Section 1.03. **Schedules.** The Schedules to this Agreement form an integral part of this Agreement and shall have effect as if set out in full herein.

## ARTICLE II THE LOAN

Section 2.01. **Amount.** The Fund agrees to extend to the Borrower, on the terms and conditions set forth and / or referred to in this Agreement, a loan of an amount, in various convertible currencies other than the currency of the Borrower, not exceeding the equivalent of Sixteen Million Four Hundred Thousand Units of Account (UA16, 400,000) (the "Loan") to assist in the financing of the Program.

Section 2.02. **Payment Dates.** The Payment Dates are 1 June and 1 December in each year.

Section 2.03. **Commitment Charge.** The Commitment Charge payable by the Borrower on the Undisbursed Loan Balance shall be at a rate equal to zero point five per cent (0.5%) per annum. The Commitment Charge shall begin to accrue one



hundred and twenty (120) days after the Date of the Loan Agreement and shall be payable on a Payment Date.

Section 2.04. **Service Charge.** The Service Charge payable by the Borrower on the Disbursed Loan Balance shall be equal to zero point seventy-five per cent (0.75%) per annum. The Service Charge shall be payable on a Payment Date.

Section 2.05. **Repayment of the Principal.**

- (a) Subject to Section 2.07 (*Accelerated Repayment*) of this Agreement, the duration of the Loan shall be forty (40) years including a grace period of five (5) years (the "Grace Period") commencing on the Date of the Loan Agreement. During the Grace Period, the Service Charge and the Commitment Charge shall be payable.
- (b) The Loan shall be amortized over a period of thirty-five (35) years after the expiration of the Grace Period, at the rate of two point eight six per cent (2.86%) per annum, in equal and consecutive semi-annual instalments payable on a Payment Date. The first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period.

Section 2.06. **Currency of Payment.** All amounts due to the Fund under this Agreement shall be payable in the Disbursement Currency as provided in Section 3.04 (*Disbursement Currency*) of this Agreement or the Substitute Currency as applicable.

Section 2.07. **Accelerated Repayment**

- (a) Notwithstanding the provisions of Section 2.05 (*Repayment of the Principal*) of this Agreement, the Fund may modify the repayment of instalments of the Disbursed Loan Balance in accordance with paragraphs (b) and (c) of this Section whenever all of the following events have occurred:
  - (i) the Borrower's per capita gross national income, as determined by the Fund, has exceeded for more than two (2) consecutive years, the level established by the Fund for determining eligibility to access the Fund's resources;





- (ii) the Bank considers the Borrower creditworthy for borrowing from the Bank; and
  - (iii) after due consideration of the development of the Borrower's economy and other relevant factors, the Board of Directors of the Fund has reviewed and approved such modification.
- (b) The Fund shall, upon the occurrence of the events referred to in Section 2.07 (a) (*Accelerated Repayment*) of this Agreement, notify the Borrower of the same and :
  - (i) require the Borrower to repay twice the amount of each instalment of the Disbursed Loan Balance not yet due until the Loan has been fully repaid (the "Principal Option"); or
  - (ii) require the Borrower to increase the Service Charge applicable to the Disbursed Loan Balance to an annual rate agreed with the Fund that would, in the opinion of the Fund, result in the same level of concessionality as the Principal Option (the "Interest Option"); or
  - (iii) if the agreed applicable Service Charge under the Interest Option would be more than the fixed rate for a Bank sovereign-guaranteed loan:
    - 1. require the Borrower to repay an amount agreed with the Fund that is greater than the then applicable semi-annual instalment; and
    - 2. increase the Service Charge applicable to the Loan to an annual rate agreed with the Fund that is equal to that of the fixed rate for a similar Bank sovereign-guaranteed loan (the "Combination Option").
- (c) The Borrower shall, within two (2) months of receipt of the notice referred to in paragraph (b) of this Section, notify the Fund whether it elects the Principal Option, the Interest Option or, if applicable, the Combination Option. In the event that the Borrower does not respond within the two (2) month period, the Fund shall automatically apply the Principal Option.



- (d) The Borrower shall commence such modified repayment as of the first semi-annual Payment Date, falling not less than six (6) months after the date on which the Fund notifies the Borrower that the events specified in paragraph (a) of this Section have occurred; provided, however, that in no event shall the Borrower be required to commence such modified repayment prior to the Grace Period.
- (e) If, at any time after the repayment terms have been modified pursuant to paragraph (a) of this Section, the Fund determines that the Borrower's economic condition has deteriorated significantly, the Fund may, if so requested by the Borrower, further revise the terms of repayment of the Disbursed Loan Balance and/or the Service Charge to conform to the repayment terms originally provided for in this Agreement, taking into account any repayments already made by the Borrower.

Section 2.08. **Prepayment.** In the event that the Borrower graduates from being eligible to borrow only from the Fund, the Borrower may, but shall not be obligated to repay in advance of maturity, the Disbursed Loan Balance in one (1) lump sum on a date agreed upon between the parties. The Fund may, in its sole discretion, provide a discount on the Disbursed Loan Balance to be prepaid. The amount to be prepaid shall be applied in the following order: Commitment Charge, Service Charge, other charges and principal.

### **ARTICLE III**

#### **ENTRY INTO FORCE AND DISBURSEMENT**

Section 3.01. **Entry into Force.** The Loan Agreement shall enter into force upon fulfillment by the Borrower of the provisions of Section 12.01 (*Entry into Force*) of the General Conditions.

Section 3.02. **Disbursement.** The proceeds of the Loan shall be disbursed to the Borrower, in accordance with the provisions of (a) Article V (*Disbursement of the Loan*) of the General Conditions; (b) the Disbursement Handbook, as applicable; (c) the Disbursement Letter; (d) this Article III (*Entry into Force and Disbursement*); and (e) such additional instructions as the Fund may specify by notice to the Borrower, to finance the results areas under the Program, as measured against specific indicators (the "Disbursement-Linked Indicators" or "DLIs") as set forth in the DLI Matrix.



Section 3.03. **Deposit Account.** All disbursements shall be deposited by the Fund into the Consolidated Fund (Treasury Single Account (TSA)) at the National Bank of Rwanda.

Section 3.04. **Disbursement Currency.** The Disbursement Currency is the United States Dollar.

Section 3.05. **Conditions Precedent to First Disbursement.** In addition to the provisions of Section 3.01 (*Entry into Force*) of this Agreement, the obligation of the Fund to make the first disbursement of the Loan shall be subject to the satisfaction of the following conditions by the Borrower:

- (a) the execution and delivery of a Subsidiary Agreement between the Borrower and EDCL in form and substance satisfactory to the Fund;
- (b) submission of evidence that the Subsidiary Agreement has been duly authorised by the Borrower and EDCL and is legally binding upon the parties in accordance with its terms;
- (c) the execution and delivery of a Program Agreement between the Fund and EDCL, in form and substance satisfactory to the Fund;
- (d) submission of evidence in form and substance satisfactory to the Fund including the relevant Program Result Verification Report ("PRVR") indicating that the DLI(s) for which the disbursement is requested has / have been fully achieved or partially achieved (for DLIs for which partial disbursement is allowed as specified in the DLI Matrix) as required under the relevant DLI Verification Protocol. The PRVR submitted by the IVA under the Initial Loan Agreements may include the achievement of DLI(s) under this Loan Agreement provided that it clearly indicates the activities achieved under this Loan Agreement and is in a form and substance acceptable to the Fund ; and
- (e) submission of a letter from the Borrower's Ministry of Finance and Economic Planning confirming the acceptance by the OAG to verify the additional financing activities as further described in Schedule I (*Program Description*) to this Agreement with the OAG acceptance letter annexed to same.



Section 3.06. **Condition Precedent to all Subsequent Disbursements.** The obligation of the Fund to make subsequent disbursements of the Loan shall be subject to the submission by the Borrower of evidence in form and substance satisfactory to the Fund including the relevant PRVR indicating that the DLI(s) for which the disbursement is requested has / have been fully achieved or partially achieved (for DLI(s) for which partial disbursement is allowed as specified in the DLI Matrix) as required under the relevant DLI Verification Protocol. The PRVR submitted by the IVA under the Initial Loan Agreements may include the achievement of DLI(s) under this Loan Agreement provided that it clearly indicates the activities achieved under this Loan Agreement and is in a form and substance acceptable to the Fund.

Section 3.07. **Reconciliation.** If by the Closing Date, the total amount of Program Expenditure is less than the Disbursed Loan Balance, the Fund shall require the Borrower to refund, an amount equal to such shortfall, within six (6) months after the Closing Date. Any refunded Loan amounts shall be cancelled by the Fund upon receipt in accordance with Section 6.03 (*Cancellation by the Fund*) of the General Conditions.

Section 3.08. **DLI Achievement**

- (a) If the Fund is not satisfied that any one or more of the DLI(s) set forth in the DLI Matrix, has / have been achieved within the period the said DLI(s) is / are set to be achieved, and/ or the Allocated Amount(s) for the DLI(s) has / have not been fully disbursed, the Fund may in consultation with the Borrower :
  - (i) authorize the disbursement of an amount less than the Allocated Amount of the said DLI(s), which, in the opinion of the Fund, corresponds to the extent of achievement of said DLI(s) and / or;
  - (ii) withhold all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) for the said DLI(s) until such DLI(s) is / are, in the opinion of the Fund, satisfactorily met ; and /or
  - (iii) reallocate all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) of the said DLI(s) to any other DLI(s) and / or;



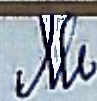
- (iv) cancel all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) previously allocated to the said DLI(s).
- (b) The timelines indicated for disbursement set forth in the DLI Matrix, are indicative only and shall not restrict disbursement on account of any DLI targets achieved (i) ahead of the expected timeline, or (ii) later than the expected timeline, provided that the achievement of any DLI shall be no later than the Closing Date.

Section 3.09. **Closing Date.** For purposes of Section 6.03 (*Cancellation by the Fund*) of the General Conditions, the Closing Date shall be **31 March, 2022**, or such later date as shall be agreed upon in writing between the Borrower and the Fund.

#### **ARTICLE IV** **UNDERTAKINGS**

Section 4.01. The Borrower declares its commitment to: (a) the attainment of the Program objectives; (b) the implementation of key Program actions identified; (c) the strengthening of institutions, enhancement of country systems and capacity building; (d) the achievement of the DLIs for the Program and (e) sustaining the results achieved for the Program. To this end, the Borrower shall and shall cause the Executing Agencies and, their contractors and/or agents to carry out the Program, in accordance with:

- (i) the provisions of Article IX (*Project Implementation - Cooperation and Information*) of the General Conditions, this Agreement and the Program Agreement; and
- (ii) the financial management, environmental and social management systems acceptable to the Fund which are designed to ensure that :
  - (A) the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency and accountability; and





- (B) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized or mitigated, as the case may be, all through an informed decision-making process.

**Section 4.02. Institutional Arrangements**

- (a) The Borrower shall and shall cause MININFRA to maintain the Program Technical Unit ("PTU") to oversee the day-to-day implementation of the Program and facilitate the collection and collation of the evidence of the achievement of DLIs. The PTU shall comprise, amongst others, the following key specialists: (i) Coordinator, Electricity Access Rollout Program ("EARP") as Chairperson; (ii) REG Director of Planning as the Secretary; (iii) EDCL Director of Primary and Social Energies Department; (iv) EDCL Director of Energy Planning; (v) EUCL Director of Operations; (vi) EDCL Head of Procurement; (vii) REG Head of Monitoring & Evaluation ; (viii) REG Director of Human Resources, (ix) REG Chief Financial Officer and (x) EDCL, Director of Financial Management.
- (b) The Borrower shall and shall cause MININFRA to ensure that the PTU is assigned with the technical, social and environmental safeguards, fiduciary and other responsibilities for implementing the Program, as well as with powers, functions, institutional capacity and staffing acceptable to the Fund, and resources adequate to fulfill their respective functions under the Program.

**Section 4.03. Verification of Program Results.** The Borrower shall prior to each disbursement under the Program carry out in accordance with the Verification Protocol, an assessment to determine the extent to which the DLI(s) in respect of which disbursement is requested has / have been achieved. To this end, the Borrower shall:

- (a) ensure that the appointment of the Office of the Auditor General as the Independent Verification Agency is maintained until the completion of the Program, on terms of reference acceptable to the Fund, for the purpose of verifying the achievement of the DLIs and providing an opinion on the achievement of the DLIs, in accordance with the Verification Protocol as applicable;



- (b) furnish the Office of the Auditor General with adequate financial resources to cover the operational expenses for executing its responsibility as the Independent Verification Agency; and
- (c) cause the Office of the Auditor General to, not later than thirty (30) days, after the verification of achievement of said DLIs has been completed, prepare and furnish to the Borrower and the Borrower shall, in turn furnish to the Fund, a Program Result Verification Report, by no later than August 21 of each calendar year of Program implementation or such other period as may be agreed in writing between the Borrower and the Fund.

**Section 4.04. Operations Manual**

- (a) The Borrower shall carry out and cause the Executing Agencies to carry out, the Program in accordance with the Operations Manual as may be updated from time to time.
- (b) Notwithstanding the foregoing, if any provision of the said Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.05. Program Action Plan.**

- (a) The Borrower shall carry out and cause the Executing Agencies to carry out, the Program Action Plan, in accordance with the schedule set out therein and in a manner satisfactory to the Fund.
- (b) The Borrower may not amend or permit to be amended, any provision of the Program Action Plan, without the prior written agreement of the Fund.
- (c) Notwithstanding the foregoing, if any provision of the said Program Action Plan is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.06. Subsidiary Agreement**

- (a) To facilitate the implementation of the Program, the Borrower shall make the proceeds of the Loan available to EDCL by a grant under a subsidiary agreement between the Borrower and EDCL (the "Subsidiary





Agreement”) under terms and conditions approved by the Fund, which shall include inter alia (i) the roles and responsibilities of EDCL with regard to the implementation of the Program; and (ii) the obligation of EDCL to comply with the reporting, financial management, technical, fiduciary, safeguards, monitoring and other relevant requirements applicable to the Program in accordance with the provisions of this Agreement.

- (b) The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interest of the Borrower and the Fund and to accomplish the purposes of the Loan. Except as the Fund shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.
- (c) Notwithstanding the foregoing, in the event of a conflict between the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.07. Environmental and Social Safeguards.**

The Borrower shall and shall cause the Executing Agencies, all their contractors, sub-contractors and agents to:

- (a) carry out the Program in accordance with the Strategic Environmental and Social Assessment (“SESA”), any other site specific Environmental and Social Management Plan (“ESMP”) which will be prepared, the Fund’s Safeguards Policies and the applicable national legislation, in a manner and in substance satisfactory to the Fund;
- (b) prepare and submit to the Fund, as part of the Program Report referred to in Section 7.01 (*Program Report*) of this Agreement, quarterly reports on the implementation of the ESMP and the Abbreviated Resettlement Action Plan (ARAP) including any implementation failures and related remedies thereof; and
- (c) refrain from taking any action which would prevent or interfere with the implementation of the SESA, and any ESMP to be prepared including any amendment, suspension, waiver, and/or avoidance of any provision thereof,



whether in whole or in part, without the prior written concurrence of the Fund.

Section 4.08. **Integrity.** The Borrower shall, and shall cause the Executing Agencies, and all of their contractors or agents to, carry out the Program in accordance with the provisions of the Anti-Corruption Policies.

Section 4.09. **Excluded Activities.** The Borrower shall and shall cause the Executing Agencies to ensure that the activities under the Initial Loan Agreements and this Agreement excludes any activities which:

- (a) in the opinion of the Fund, are likely to have significant climate, environment and social impacts and / or are classified as Category one (1) under the Fund's Safeguards Policies; and / or;
- (b) involve the procurement of (i) works, turnkey, supply and installation contracts estimated to cost Fifty Million United States Dollars (USD 50,000,000) equivalent or more per contract; (ii) goods estimated to cost Thirty Million United States Dollars (USD 30,000,000) equivalent or more per contract; (iii) information technology systems and non-consulting services, estimated to cost Twenty Million United States Dollars (USD 20,000,000) equivalent or more per contract or (iv) consulting services estimated to cost Fifteen Million United States Dollars (USD 15,000,000) equivalent or more per contract; and / or
- (c) are listed in Schedule V (*Negative List*) to this Agreement.

## **ARTICLE V**

### **ADDITIONAL REMEDIES OF THE FUND**

Section 5.01. **Other Events of Suspension.** For the purpose of Section 6.02 (1) (k) (*Other Events of Suspension*) of the General Conditions, the other events of suspension of the Loan consists of the following:

- (a) The REG Legislation has been amended, suspended, repealed or waived or in the opinion of the Fund, the legal character, ownership or control of EDCL has changed from that prevailing as of the Date of the Loan Agreement, so as to materially and adversely affect the ability of EDCL to



perform any of its obligations arising under or entered into pursuant to the Loan Agreement, or to achieve the objectives of the Program;

- (b) Any action has been taken for the dissolution, disestablishment or suspension of operations of EDCL;
- (c) EDCL has failed to perform its obligations under the Subsidiary Agreement;
- (d) The Borrower has taken or permitted to be taken any action which would prevent or interfere with the performance by EDCL of its obligations under the Program Agreement;
- (e) The Borrower fails to refund any amounts notified by the Fund under Section 3.07 (*Reconciliation*) of this Agreement within six (6) months of notice thereof by the Fund; or
- (f) Any circumstance arising which in the opinion of the Fund interferes with or threatens to interfere with the successful completion of the Program or the accomplishment of its purposes.

Section 5.02. **Other Events of Cancellation.** In addition, to the events in Section 6.03 (*Cancellation by the Fund*) of the General Conditions, the other events of cancellation of the Loan consists of any event specified in Section 5.01 (*Other Events of Suspension*) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.

Section 5.03. **Other Events of Acceleration.** In addition to events in Section 7.01 (*Events of Acceleration*) of the General Conditions, the other events of acceleration of the Loan consist of any event specified in Section 5.01 (*Other Events of Suspension*) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.



## **ARTICLE VI**

### **PROCUREMENT**

Section 6.01. **Procurement.** All Goods, Works, Non-Consulting Services and Consulting Services required for the Program and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of the Procurement Framework.

Section 6.02. **Definitions.** Unless the context otherwise requires, the capitalized terms used in this Article VI (*Procurement*) including those describing particular procurement methods or methods of review by the Fund of particular contracts, have the meanings ascribed to them in the Procurement Framework.

Section 6.03. **Use of the Borrower's Procurement System.**

- (a) **Eligibility.** The proceeds of the Loan shall be used for the procurement of Goods, Civil Works, Non-Consulting Services and Consulting Services satisfying the applicable country of origin requirements prescribed in the Law Governing Public Procurement No.62/2018 of 25/08/2018 (the "Borrower's Procurement System"), except that, the proceeds of the Loan shall not be used for the procurement of :
- (i) firms from a country or goods manufactured in a country excluded in compliance with the decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and/ or
  - (ii) firms sanctioned by the Fund in accordance with its Anti- Corruption Policies.
- (b) **Methods.** Each contract for Goods, Civil Works, Non-Consulting Services and Consulting Services required for the Program shall be procured in accordance with the Borrower's Procurement System using the relevant National Standard Bidding Documents or National Model Bidding Documents.





(c) **Procurement Oversight.**

- (i) The Borrower shall cause the Office of the Auditor General or a competitively recruited external auditor to carry out a procurement audit in accordance with the Borrower's Procurement System on an annual basis. The annual procurement audit report shall be submitted to the Fund no later than six (6) months after the end of each calendar year.
- (ii) The Fund may, in its sole discretion, require independent procurement audits or inspections to be undertaken by independent auditors appointed by the Fund. The costs of such independent audits or inspections shall be borne by the Fund.

**Section 6.04. Reports and Retention of Documents.**

- (a) The Borrower shall and shall cause the Executing Agencies to maintain and record all relevant information concerning the procurement activities undertaken for the Program and shall include said information in each Program Report to be submitted to the Fund on a quarterly basis in accordance with the provisions of Section 7.01 (*Program Report*) of this Agreement.
- (b) The Borrower shall and shall cause the Executing Agencies to retain copies of all contracts, invoices, bidding documents and evaluation reports for periodic review and inspection by the Fund in accordance with Section 9.09 (c) (*Accounts, Records and Audit*) of the General Conditions.

**ARTICLE VII**  
**PROGRAM REPORT**

Section 7.01. **Program Report.** The Borrower shall, and shall cause the Executing Agencies to monitor the progress of the Program and prepare Program Reports in accordance with the provisions of Section 9.09 (*Accounts, Records and Audit*) of the General Conditions and on the basis of indicators acceptable to the Fund. Each Program Report shall cover a period of one (1) calendar quarter and shall be furnished to the Fund no later than forty-five (45) days after the end of the period covered by such report.



Section 7.02. **Program Completion Report.** The Borrower shall prepare and submit to the Fund, a Program Completion Report, pursuant to Section 9.10 (*Completion Report*) of the General Conditions, no later than six (6) months after the end of the Program.

Section 7.03. **Disclosure.** The Fund may disclose the Program documents and any information related to the Program in accordance with the Bank Group Policy on Disclosure and Access to Information, in effect at the time of such disclosure.

## **ARTICLE VIII**

### **FINANCIAL MANAGEMENT**

Section 8.01. **Internal Control.** The Borrower shall maintain and cause the Executing Agencies to maintain proper records and procedures in accordance with the provisions of Section 9.09 (*Accounts, Records and Audit*) of the General Conditions.

Section 8.02. **Interim Financial Reporting.** Without limitations to the provisions of Article VIII, (*Financial Management*) of this Agreement, the Borrower shall prepare and furnish to the Fund quarterly financial reports for the Program no later than forty-five (45) days after the end of the respective quarter in form and substance satisfactory to the Fund.

Section 8.03. **Financial Audit.**

- (a) The Borrower shall cause each of REG, EDCL and EUCL to have, their respective financial statements for the Program, audited and certified in accordance with terms of reference acceptable to the Fund by the OAG or an independent external auditor acceptable to the Fund, and recruited with the involvement of OAG.
- (b) The audit of the financial statements in Section 8.03 (a) above shall cover a period of one (1) financial year except (i) the first audit, which may cover a period not exceeding eighteen (18) months after the date of first disbursement of the Loan, if such first disbursement occurs in the second half of the applicable financial year; and (ii) the final audit, which may cover a period not exceeding eighteen (18) months, if the Closing Date occurs within the first half of the applicable financial year.



- (c) The audited financial statements shall comprise inter alia (i) a complete set of financial statements of the applicable financial year together with the auditor's opinion on the said financial statements; and (ii) the management letter, and shall be furnished to the Fund no later than six (6) months after the end of the applicable financial year. The last annual audited financial statements at the end of the Program shall be submitted to the Fund no later than six (6) months after the Closing Date.
- (d) The Borrower shall submit its Audited Consolidated Financial Statement to the Fund, no later than nine (9) months after the end of the applicable financial year and the last Audited Consolidated Financial Statement shall be submitted not later than nine (9) months after the Closing Date or such other period as indicated in its relevant legislation.

#### **ARTICLE IX**

##### **AUTHORIZED REPRESENTATIVES, DATE, AND ADDRESSES**

Section 9.01. **Authorized Representatives.** The Minister responsible for Finance and Economic Planning or such other person as the Minister may designate in writing shall be the authorized representative for the purposes of Article XI (*Miscellaneous Provisions*) of the General Conditions.

Section 9.02. **Date of the Loan Agreement.** For all purposes of this Agreement, the date thereof shall be that appearing in the preamble hereof.



Section 9.03. **Addresses.** The following addresses are specified for the purposes of Article XI (*Miscellaneous Provisions*) of the General Conditions:

**For the Borrower:**

**Mail Address:**

Ministry of Finance and Economic Planning  
B. P. 158  
Kigali  
REPUBLIC OF RWANDA  
Tel: (250) 252 575 756  
Fax: (250) 252 577 581

**Attention:**

The Permanent Secretary  
and Secretary to the Treasury

**For the Fund:**

**Headquarters Mail Address:**

African Development Fund  
01 B.P. 1387  
Abidjan 01  
REPUBLIC OF COTE D'IVOIRE  
Tel: (225) 20.26.44.44

**Attention:**

Director, Power Systems Development (PESD)

**Country Office Mail Address:**

African Development Bank Group  
Boulevard de l'Umuganda  
Building Glory House, 3rd & 4th floors;  
Kacyiru Road  
P.O. Box 7329  
Kigali  
REPUBLIC OF RWANDA  
Tel: (+250) 252 504250  
Fax: (+250) 252 504298

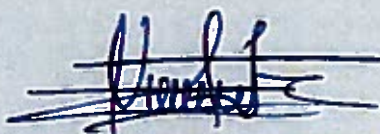
**Attention:**

Country Manager  
Rwanda Country Office (CORW)



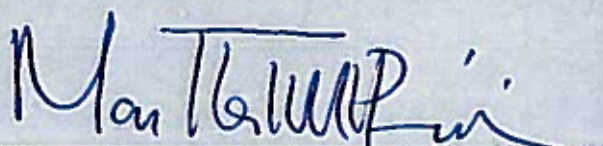
**IN WITNESS WHEREOF** the Borrower and the Fund, each acting through its authorized representative, have signed this Agreement in two (2) original counterparts in English on the date appearing in the opening sentence of this Agreement.

**FOR THE REPUBLIC OF RWANDA**



\_\_\_\_\_  
CLAUDINE UWERA  
MINISTER OF STATE IN CHARGE  
OF ECONOMIC PLANNING

**FOR AFRICAN DEVELOPMENT FUND**



\_\_\_\_\_  
MARTHA T. M. PHIRI  
COUNTRY MANAGER  
RWANDA COUNTRY OFFICE



**ATTESTED BY:** \_\_\_\_\_



\_\_\_\_\_  
VINCENT O. NMEHELLE  
SECRETARY GENERAL



**SCHEDULE I**  
**PROGRAM DESCRIPTION**

The objectives of the Program are to improve the power supply reliability, increase on-grid and off-grid access in Kigali city and in the Southern and Western provinces as well as enhance institutional capacity for effective implementation of the Government of Rwanda's electrification program.

The additional activities under the Program consist of the following:

**Results Area 2: Increase on-grid access for household and productive usages**

(i) Extension of 9.17km of MV and 10km of LV lines from the Gabiro switching station to the Ndama and Rwabiharamba villages in the district of Nyagatare District which will serve the Ndama health centre and the Rwabiharamba IDP Model village; (ii) Connection of 200 more SME customers; and (iii) Connection of 28,954 more new households.



**SCHEDULE II**  
**DISBURSEMENT LINKED INDICATORS MATRIX**

The following table specifies the Disbursement Linked Indicators, and the Allocated Amount to each DLI and the indicative time for the DLI's achievement and disbursement.

| DLIs  |   | Unit       | Total Additional Financing allocated to DLI | As of % of Additional Financing | DLI Baseline | FY 2019/2020 Target | FY 2020/2021 Target |
|---|---|------------|---|---------------------------------|--------------|---------------------|---------------------|
| Target date for disbursement  |   | UA million |   |                                 |              |                     |                     |
| <b>Results Area 2: Increase on-grid access for household and productive-use customers</b> |   |            |   |                                 |              |                     |                     |
| <b>DLI-2.1</b>  | Additional number of new household customers connected to the grid of which 52% are women | Number     |   |                                 | 0            | 11,582              | 17,372              |



|                     |   |                       |               |               |   |              |              |
|---------------------|---|-----------------------|---------------|---------------|---|--------------|--------------|
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 13.956        | 85.1%         |   | 5.582        | 8.374        |
| <b>DLI-<br/>2-2</b> | Additional number of<br>SME's customers<br>connected to the grid                              | <b>Number</b>         |               |               | 0 | 80           | 120          |
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 2.132         | 13.0%         |   | 0.853        | 1.279        |
| <b>DLI-<br/>2-3</b> | Additional length of<br>MV (30/15 kV)<br>distribution lines<br>constructed and/or<br>upgraded | <b>Number</b>         |               |               | 0 | 7.35         | 11.82        |
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 0.312         | 1.9%          |   | 0.125        | 0.187        |
|                     | <b>TOTAL</b>  | <b>UA<br/>million</b> | <b>16.400</b> | <b>100.0%</b> |   | <b>6.560</b> | <b>9.840</b> |



**SCHEDULE III**  
**DEFINITIONS**

1. **“Abbreviated Resettlement Action Plan” or “ARAP”** means the plan prepared by the Borrower and agreed with the Fund which addresses the potential environmental impacts of the Program and at the same time makes provision for the opportunity the Program offers to improve the socio-economic conditions of the affected population.
2. **“Allocated Amount”** means the amount allocated to each individual DLI, or determined for each DLI pursuant to the formula detailed in the DLI Matrix, as such amount might be increased, reallocated and / or cancelled (whether partially or in its entirety) by the Fund, from time to time as the case may be, in accordance with the provisions of this Agreement.
3. **“Anti-Corruption Policies”** means the Uniform Framework for Preventing and Combating Fraud and Corruption dated September 2006, the Whistle Blowing and Complaints Handling Policy dated January 2007, the Procurement Framework, the Cross-Debarment Agreement and the Sanctions Procedures of the African Development Bank Group issued November 18, 2014, as the same may be amended from time to time.
4. **“Bank”** means the African Development Bank.
5. **“Bank Group Policy on Disclosure and Access to Information”** means the policy dated 2 May 2012 concerning the disclosure and access to information within the Bank Group’s possession concerning the Bank Group’s operations, as the same may be amended from time to time.
6. **“Bank’s Policy on Integrated Safeguards Systems”** means Bank Group Integrated Safeguards System including the Policy Statement, Operational Safeguards and Guidance Materials, as the same may be amended from time to time.
7. **“Cross-Debarment Agreement”** means the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010 and entered into, amongst the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and



Development, the Inter-American Development Bank Group and the World Bank Group, as the same may be amended from time to time.

8. **"Completion Report"** means a comprehensive report on the execution and the initial operation of the Program, including the costs and benefits derived and to be derived therefrom, the performance by the parties' of their respective obligations under the Agreement, the accomplishment of the purposes of the Loan and the plan designed to ensure the sustainability of the Program achievements, amongst others, to be prepared and submitted by the Borrower to the Fund in accordance with the terms of this Agreement.
9. **"Disbursed Loan Balance"** means the principal amount of the Loan disbursed to the Borrower and outstanding from time to time.
10. **"Disbursement Handbook"** means the Disbursement Handbook of the African Development Bank Group dated 22 July 2012 setting out the disbursement policies, guidelines, practices, and procedures of the Bank Group, as the same may be amended from time to time.
11. **"Disbursement Linked Indicator" or "DLI"** means each of the disbursement-linked indicators set forth in the DLI Matrix.
12. **"DLI Matrix"** means the table set forth in Schedule II (*Disbursement Linked Indicators Matrix*) of this Agreement.
13. **"Energy Development Corporation Limited" or "EDCL"** means Energy Development Corporation Limited, registered as a private company limited by shares in the Republic of Rwanda with company code 103372620 which is responsible for energy development activities.
14. **"Energy Utility Corporation Limited" or "EUCL"** means Energy Utility Corporation Limited, registered as a private company limited by shares in the Republic of Rwanda with company code 103372638 which is responsible for utility services delivery.
15. **"Environmental and Social Impact Assessment" or "ESIA"** means a tool to identify and assess the likely environmental and social impacts of the Program, to determine their magnitude and significance, and to define





management or mitigation measures designed to avoid and minimize where possible, or if not, to offset or compensate for adverse impacts and risks.

16. **“Environmental and Social Management Plan”** or **“ESMP”** means an instrument developed as the outcome of an ESIA of the Program that sets out the action plan of environmental and social management measures to be implemented by the Borrower, as the same may be amended, supplemented or updated from time to time in concurrence with the Fund.
17. **“Fund’s Safeguards Policies”** means the policies, procedures and guidelines of the Fund that concern environmental and social matters including, the Bank Group Integrated Safeguards System, the Involuntary Resettlement Policy, the Environmental and Social Assessment Procedures, the Bank Group Policy for Disclosure and Access to Information, the Bank Group Policy on Poverty Reduction, the Gender Policy, as the same may be amended and revised from time to time.
18. **“MINEGOFIN”** means the Ministry of Finance and Economic Planning of the Republic of Rwanda.
19. **“MININFRA”** means the Ministry of Infrastructure of the Republic of Rwanda.
20. **“Office of Auditor General”** or **“OAG”** means the Borrower’s Office of the Auditor General, or any successor agency thereto satisfactory to the Fund.
21. **“Operations Manual”** means the manuals which prescribe the institutional, administrative, technical and operational guidelines and procedures for the implementation of the Program including: (i) detailed safeguards (environmental and social management system guidelines) (ii) financial management (including funds flow and budgeting) (iii) procurement arrangements; and (iv) a monitoring and verification system for the Program, as the same may be amended or updated from time to time.
22. **“Program Action Plan”** means the Borrower’s plan dated 11 September 2018 and referred to in Section 4.05 (*Program Action Plan*) of this



Agreement, as the same may be amended or updated from time to time in concurrence with the Fund.

23. **“Program Agreement”** means the agreement between the Fund and EDCL setting forth their obligations with respect to the implementation of the Program.
24. **Program Expenditure”** means the total expenditures incurred by the Borrower under the Program during its fiscal year.
25. **“Program Report”** means the report prepared by the Borrower pursuant to this Agreement containing Program information that includes amongst others, sources and uses of funds including those committed, with the corresponding budgets, progress on Program implementation made in the achievement of the results as well as progress on compliance with the environmental and social safeguards requirements including the implementation of the ESMP, (where applicable) together with other supporting schedules and highlighting issues that require attention.
26. **“Program Result Verification Report”** means the report prepared by the Independent Verification Agency in accordance with the Verification Protocol which *inter alia*, confirms and authenticates the achievement of the results area and the Disbursement Linked Indicators for which a disbursement is requested.
27. **“REG Legislation”** means the Prime Minister’s Order No. 87/03 of 16/08/2014 *Determining Modalities of Transfer of Responsibilities and Property of Energy, Water and Sanitation Authority* (EWSA) which transfers the energy assets of the EWSA to the Rwanda Energy Group and its two subsidiaries EDCL and EUCL.
28. **“Rwanda Energy Group Limited”** or **“REG”** means the Rwanda Energy Group Limited which is incorporated as a private company limited by shares in the Republic of Rwanda with company code 103370521.
29. **“Subsidiary Agreement”** the Subsidiary Agreement between the Borrower and EDCL.



30. **"Substitute Currency"** means the substitute currency selected under Section 4.04 (*Temporary Currency Substitution*) of the General Conditions.
31. **"Undisbursed Loan Balance"** means the amount of the Loan remaining undisbursed from the Loan Account from time to time.
32. **"Verification Protocol"** means the protocol for evaluating and verifying the achievement of the DLIs prepared by the Borrower in form and substance satisfactory to the Fund.



**SCHEDULE IV**  
**MODIFICATIONS TO THE GENERAL CONDITIONS**

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program".
2. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
3. In the Section 2.01, *Definitions*, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the term "*Special Commitment*" and "*Categories of Expenditure*" are deleted in their entirety.
4. Section 5.02, *Special Commitment by the Fund*, is deleted in its entirety, and the subsequent Sections in Article V (*Disbursement of the Loan*) are renumbered accordingly.
5. In Section 5.02 (originally numbered as Section 5.03), the heading "*Requests for Disbursement or for Special Commitment*" is replaced with "*Requests for Disbursement*", and the phrase "*or requests the Fund to enter into a Special Commitment*" is deleted.
6. Paragraph (b) of Section 5.04 (originally numbered as Section 5.05), *Reallocation and Loan Savings* is modified to read: "*The re-allocation of the Loan funds from one results area to another, or within the same results area, shall not, however be made if such reallocation would, in the opinion of the Fund, (i) compromise the execution of the Program, or (ii) substantially modify the nature or objectives of the Program.*"
7. Section 6.01(a), *Cancellation by the Borrower*, is modified to read: "*The Borrower may, by notice to and after consultation with the Fund, cancel the whole or part of the Loan which has not been disbursed.*"



8. Paragraph (d) of Section 6.03, *Cancellation by the Fund*, entitled "Misprocurement", is deleted, and subsequent paragraphs are re-lettered accordingly.
9. Section 6.04, *Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Fund*, is deleted in its entirety, and subsequent Sections in Article VI and references to such Sections are renumbered accordingly.





**SCHEDULE V**  
**NEGATIVE LIST**

1. Production of, or trade in, any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
2. Production of, or trade in, radioactive materials, with the exception of medical materials and quality-control equipment for which the Fund considers the radioactive source to be trivial and adequately shielded.
3. Production of, or trade in, or use of, unbonded asbestos fibres or other products with bonded asbestos as dominant material.
4. Production of, or trade in, pharmaceuticals, chemical compounds and other harmful substances subject to international phase-outs or bans, including pesticides classified by the World Health Organization as Class Ia (extremely hazardous), Ib (highly hazardous) or II (moderately hazardous).
5. Production of, or trade in, ozone-depleting substances subject to international phase out.
6. Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
7. Purchase of logging equipment for use in unmanaged primary tropical rainforests.
8. Production or activities involving harmful or exploitative forms of forced labour<sup>1</sup> and/or harmful child labour<sup>2</sup> as defined by national regulations and international standards.

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<sup>1</sup> Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.



9. Goods and services supplied under a contract which any national or international financing institution or agency other than the Fund has financed or agreed to finance, or which the Fund has financed or agreed to finance under another grant or loan.
10. Goods intended for military and/or paramilitary purposes.
11. Alcoholic beverages.
12. Un-manufactured tobacco, tobacco refuse, manufactured tobacco (whether or not containing tobacco substitutes) and tobacco processing machinery.
13. Platinum, pearls, precious and semi-precious stones, silver, gold and related products.
14. Nuclear reactors and parts thereof, non-irradiated fuel elements (cartridges) for nuclear reactors.
15. Goods for luxury consumption.

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<sup>2</sup> Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

Bibonywe kugira ngo bishyirwe ku mugereka w' Itegeko n° 030/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo y'inyongera yashyiriweho umukono i Kigali mu Rwanda ku wa 12 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya Unités de Compte (16.400.000 UC) agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II)

Kigali, ku wa 07/10/2019

(Sé)

**KAGAME Paul**  
Perezida wa Repubulika

(Sé)

**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya  
Repubulika:**

(Sé)

**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Seen to be annexed to Law n° 030/2019 of 07/10/2019 approving ratification of the Additional Financing Loan Agreement signed in Kigali, Rwanda on 12 June 2019 between the Republic of Rwanda and the African Development Fund, relating to the Additional Loan of sixteen million four hundred thousand Units of Account (UA 16,400,000) for Scaling up Electricity Access Program II (SEAP II)

Kigali, on 07/10/2019

(Sé)

**KAGAME Paul**  
President of the Republic

(Sé)

**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)

**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Vu pour être annexé à la Loi n° 030/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement additionnel de prêt signé à Kigali, au Rwanda le 12 juin 2019 entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC) pour le Second Programme d'Amélioration de l'Accès à l'Electricité (SEAP)

Kigali, le 07/10/2019

(Sé)

**KAGAME Paul**  
Président de la République

(Sé)

**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)

**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux



**ITEGEKO N° 031/2019 RYO KU WA 07/10/2019 RYEMERA KWEMEZA BURUNDU AMASEZERANO Y'INGUZANYO YASHYIRIWEHO UMUKONO I ROMA MU BUTALIYANI KU WA 22 KAMENA 2019 HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUNZU, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS) AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA - ICYICIRO CYA 1**

**LAW N° 031/2019 OF 07/10/2019 APPROVING THE RATIFICATION OF THE FINANCING AGREEMENT SIGNED IN ROME, ITALY ON 22 JUNE 2019 BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000) FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT - PHASE 1**

**LOI N° 031/2019 DU 07/10/2019 APPROUVANT LA RATIFICATION DE L'ACCORD DE FINANCEMENT SIGNÉ À ROME, EN ITALIE LE 22 JUIN 2019 ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS) POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA -PHASE 1**

### ISHAKIRO

Ingingo ya mbere: Kwemera kwemeza burundu

Ingingo ya 2: Itegurwa, isuzumwa n'itorwa by'iri tegeko

Ingingo ya 3: Igihe iri tegeko ritangira gukurikizwa

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Article 3: Entrée en vigueur

**ITEGEKO N° 031/2019 RYO KU WA 07/10/2019 RYEMERA KWEMEZA BURUNDU AMASEZERANO Y'INGUZANYO YASHYIRIWEHO UMUKONO I ROMA MU BUTALIYANI KU WA 22 KAMENA 2019 HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUNZU, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS) AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA - ICYICIRO CYA 1**

**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

**INTEKO ISHINGA AMATEGEKO YEMEJE, NONE NATWE DUHAMIJE, DUTANGAJE ITEGEKO RITEYE RITYA KANDI DUTEGETSE KO RITANGAZWA MU IGAZETI YA LETA YA REPUBULIKA Y'U RWANDA**

**INTEKO ISHINGA AMATEKO:**

Umutwe w'Abadepite mu nama yawo yo ku wa 6 Nzeri 2019;

**LAW N° 031/2019 OF 07/10/2019 APPROVING THE RATIFICATION OF THE FINANCING AGREEMENT SIGNED IN ROME, ITALY ON 22 JUNE 2019 BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000) FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT - PHASE 1**

**We, KAGAME Paul,**  
President of the Republic;

**THE PARLIAMENT HAS ADOPTED AND WE SANCTION, PROMULGATE THE FOLLOWING LAW AND ORDER IT BE PUBLISHED IN THE OFFICIAL GAZETTE OF THE REPUBLIC OF RWANDA**

**THE PARLIAMENT:**

The Chamber of Deputies, in its session of 6 September 2019;

**LOI N° 031/2019 DU 07/10/2019 APPROUVANT LA RATIFICATION DE L'ACCORD DE FINANCEMENT SIGNÉ À ROME, EN ITALIE LE 22 JUIN 2019 ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS) POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA -PHASE 1**

**Nous, KAGAME Paul,**  
Président de la République;

**LE PARLEMENT A ADOPTÉ ET NOUS SANCTIONNONS, PROMULGUONS LA LOI DONT LA TENUEUR SUIT ET ORDONNONS QU'ELLE SOIT PUBLIÉE AU JOURNAL OFFICIEL DE LA RÉPUBLIQUE DU RWANDA**

**LE PARLEMENT:**

La Chambre des Députés, en sa séance du 6 septembre 2019;



Ishingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavuguruwe mu 2015, cyane cyane mu ngingo zaryo iya 64, iya 69, iya 70, iya 88, 89, iya 90, iya 91, iya 93, iya 106, iya 120, iya 167, iya 168 n'iya 176;

Imaze gusuzuma Amasezerano y'inguzanyo yashyiriweho umukono i Roma mu Butaliyani ku wa 22 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ibiyiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS) agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza -Icyiciro cya 1;

**YEMEJE:**

**Ingingo ya mbere: Kwemera kwemeza burundu**

Amasezerano y'inguzanyo yashyiriweho umukono i Roma mu Butaliyani ku wa 22 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ibiyiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS) agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza -Icyiciro cya 1, ari ku mugereka, yemerewe kwemezwa burundu.

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 64, 69, 70, 88, 89, 90, 91, 93, 106, 120, 122, 167, 168 and 176;

After consideration of the Financing Agreement signed in Rome, Italy on 22 June 2019 between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000) for Kayonga Irrigation and Integrated Watershed Management Project – Phase 1;

**ADOPTS:**

**Article one: Approval for ratification**

The Financing Agreement signed in Rome, Italy on 22 June 2019 between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000) for Kayonga Irrigation and Integrated Watershed Management Project – Phase 1, in annex, is approved for ratification.

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses articles 64, 69, 70, 88, 89, 90, 91, 93, 106, 120, 167, 168 et 176;

Après examen de l'Accord de financement signé à Rome, en Italie le 22 juin 2019 entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS) pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase 1;

**ADOpte:**

**Article premier: Approbation pour ratification**

l'Accord de financement signé à Rome, en Italie le 22 juin 2019 entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS) pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase 1, en annexe, est approuvé pour ratification.

**Ingingo ya 2: Itegurwa, isuzumwa n'itorwa by'iri tegeko**

Iri tegeko ryateguwe mu rurimi rw'Icyongereza risuzumwa kandi ritorwa mu rurimi rw'Ikinyarwanda.

**Ingingo ya 3: Igihe iri tegeko ritangira gukurikizwa**

Iri tegeko ritangira gukurikizwa ku munsu ritangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 07/10/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Drafting, consideration and adoption of this Law**

This Law was drafted in English, considered and adopted in Ikinyarwanda.

**Article 3: Commencement**

This Law comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 07/10/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Initiation, examen et adoption de la présente loi**

La présente loi a été initiée en anglais, examinée et adoptée en Ikinyarwanda.

**Article 3: Entrée en vigueur**

La présente loi entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 07/10/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux



**UMUGEREKA W'ITEGEKO N° 031/2019 RYO KU WA 07/10/2019 RYEMERA KWEMEZA BURUNDU AMASEZERANO Y'INGUZANYO YASHYIRIWEHO UMUKONO I ROMA MU BUTALIYANI KU WA 22 KAMENA 2019 HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUHINZI, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EBYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS) AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA - ICYICIRO CYA 1**

**ANNEX TO LAW N° 031/2019 OF 07/10/2019 APPROVING THE RATIFICATION OF THE FINANCING AGREEMENT SIGNED IN ROME, ITALY ON 22 JUNE 2019 BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000) FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT - PHASE 1**

**ANNEXE À LA LOI N° 031/2019 DU 07/10/2019 APPROUVANT LA RATIFICATION DE L'ACCORD DE FINANCEMENT SIGNÉ À ROME, EN ITALIE LE 22 JUIN 2019 ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS) POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA -PHASE 1**

LOAN NO. 2000002900

## FINANCING AGREEMENT

*Kayonza Irrigation and Integrated Watershed Management Project (KIIWP)*

between the

**THE REPUBLIC OF RWANDA**

and the

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

Signed in Rome, Italy

On 22 June 2019



## **FINANCING AGREEMENT**

Loan No: 2000002900

Project name: Kayonza Irrigation and Integrated Watershed Management Project ("the Project" or "KIIWP")

The Republic of Rwanda (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested financing from the Fund for the purpose of financing the KIIWP;

WHEREAS, the Project shall be implemented in two phases;

WHEREAS, the Fund has agreed to provide a loan for the Project to finance the activities described in Schedule 1 to this Agreement ("Phase I" of the Project or "KIIWP1");

NOW THEREFORE, the Parties hereby agree as follows:

### **Section A**

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), the Special Covenants (Schedule 3) and the General Conditions for Agricultural Development Financing dated 29 April 2009, as amended on December 2018, and as may be amended hereafter from time to time (the "General Conditions"). In the event of a conflict between this document and any of the Schedules, the provisions of this document shall take precedence.

2. All provisions of the General Conditions shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties otherwise agree in this Agreement.

3. The Fund shall provide a Loan (the "Financing") to the Borrower which the Borrower shall use to implement the KIIWP1 in accordance with the terms and conditions of this Agreement.

4. For the purpose of this Agreement:

"Phase I" or "KIIWP1" means the first phase of the Project, which corresponds to the period commencing on the date of entry into force of this Agreement and ending approximately 30 months later or on the Project completion date;

"Project completion date" means the date for completion of activities financed under KIIWP1;

"Phase II" or "KIIWP2" means the second phase of the Project as will be approved by the IFAD Executive Board;

"Phase Review" means the Phase Review described in Section C.4;

"Trigger Indicators" means the set of indicators directly linked to the results of the KIIWP1 which shall be the basis of review and shall need to be fulfilled to seek approval of Loan funds to implement the KIIWP2, as described in Section III paragraph 12 of Schedule 1.

## **Section B**

1. The amount of the Loan is twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12 850 000).
2. The Loan is granted on Highly Concessional Terms, and shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board. The principal is to be repaid at 4.5 per cent of the total principal per annum for years eleven (11) to thirty (30), and 1 per cent of the total principal per annum for years thirty first (31) to forty (40).
3. The Loan Service Payment Currency shall be the US Dollar.
4. The first day of the applicable Fiscal Year shall be 1 July.
5. Payments of principal and service charge shall be payable on each 1 April and 1 October.
6. There shall be one Designated Account in USD, for the exclusive use of the Project opened in the National Bank of Rwanda. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. There shall be one Project Operations Account in Rwandan francs (RWF) opened by the Lead Project Agency in the National Bank of Rwanda.
8. The Borrower shall provide counterpart financing for the Project in an amount equivalent to approximately five million, four hundred and sixteen thousand US Dollars (USD 5 416 000) to cover taxes for the Project and feasibility studies for the Ndego Pumping Irrigation scheme.

## **Section C**

1. The Lead Project Agency shall be the Rwanda Agriculture and Animal Resources Development Board (RAB) under the Ministry of Agriculture and Animal Resources (MINAGRI) of the Borrower.
2. The following are designated as additional Project Parties: Local Administrative Entities Development Agencies (LODA), Rwanda Youth in Agribusiness Forum (RYAF) and any other parties deemed necessary by the Lead Project Agency.
3. The Project Completion Date shall be approximately thirty (30) months after the date of entry into force of this Agreement or such other date as the Fund may designate by notice to the Borrower and the Financing Closing Date will be established as specified in the General Conditions. The Agreement shall enter into force on the date of receipt by the Fund of the instrument of ratification.
4. *Phase Review.* The Fund shall carry out a review of KIIWP1 implementation once the feasibility studies and Environmental and Social Impact Assessments (ESIAs) will be



finalized. Among other things, the Phase Review shall consider the successful achievement of Trigger Indicators indicated in Schedule 1 Section III paragraph 12, and make recommendations for moving to Phase 2. The findings of the Phase Review shall be the basis upon which the Fund shall decide whether to submit Phase 2 for approval of the IFAD Executive Board. The Borrower shall ensure that, should the Fund decide that the Project shall continue to the Phase II, the recommendations resulting from the Phase Review are implemented within the specified time therefor and to the satisfaction of the Fund.

#### **Section D**

The Loan will be administered and the Project supervised by IFAD.

#### **Section E**

1. The following are designated as additional grounds for suspension of the right of the Borrower to request disbursements:

- (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of IFAD and IFAD, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project; and
- (b) The Project Manager or other key Project staff (Heads of Financial Management, Procurement and M&E officer) have been removed from the Project without the prior consultation with the Fund.

2. The following are designated as additional general conditions precedent to withdrawal:

- (a) The IFAD no objection to the final version of the PIM shall have been obtained;
- (b) The Project steering committee (PSC) shall have been established; and
- (c) The KIIWP1 Project Manager and key Project staff shall have been appointed as per Schedule 1 of this Agreement.

3. This Agreement is subject to ratification by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

**For the Borrower:**

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

**For the Fund:**

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

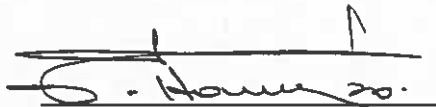
This Agreement, dated 22 June 2019, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower and shall enter into force as provided for in Section 13.01 of the General Conditions.

REPUBLIC OF RWANDA



Gerardine Mukeshimana  
Minister of Agriculture and Animal Resources

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT



Gilbert F. Hounbo  
President



## **Schedule 1**

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target population.* KIIWP's direct target groups will comprise about 50,000 poor and food insecure rural households (HH) representing 225,000 persons who belong to the poorest *Ubudehe* categories 1, 2 and 3.

2. *Project area.* The Project area comprises the eight drought-prone sectors of the District of Kayonza in the Eastern Province of Rwanda. These sectors, namely Gahini, Kabare, Kabarando, Murama, Murundi, Mwiri, Ndego and Rwinkwavu are relatively hot, with limited rainfalls - averaging 900 mm per year - compared to the rest of the country, but have good potential for irrigation.

3. *Goal.* KIIWP's Development Goal is to 'Contribute to poverty reduction in the drought prone Eastern Province of Rwanda'. The Development Objective is to 'Improve food security and incomes of 50,000 rural households on a sustainable basis' and build their climate resilience. KIIWP will improve the resilience of smallholder farmers to droughts and effects of climate change through increased levels of production and productivity of selected food and cash crops, livestock and improved market access and business development.

4. *Objectives.* The main expected outcomes and outputs of the Project include (i) improved access to land, forests, water and water bodies for production purposes; (ii) increased acreage of farmland under water-related infrastructure; (iii) increased acreage of farmland under climate resilient management and practices; (iv) increased capacity of smallholder farmers and local government to sustainably manage natural resources and climate-related risks; (v) enhanced use by farmers, including youth, of technologies, equipment and infrastructure adapted to smallholder agriculture; and (vi) increased farmers' economic benefits from market participation and increased sales.

5. *Components of KIIWP1.* KIIWP1 will revolve around (i) the catchment rehabilitation and protection of areas where rainfed agriculture is practised; (ii) the provision of water for livestock and domestic purpose in the most drought-prone sectors of Kayonza; (iii) the preparation of the feasibility studies and Environmental and Social Impact Assessments (ESIAs) for large irrigation schemes; and (iv) the formation and capacity building of sub-catchment committees, Water for Livestock User Organizations (WLUOs), district and scheme committees.

KIIWP1 will consist of two components: A) strengthening resilience to droughts, and B) institutional development and project coordination.

#### **Component A: Strengthening resilience to droughts**

For KIIWP1, this component will cover the catchment rehabilitation and protection in rainfed areas; all preparatory activities for the irrigation development; the urgently required infrastructure for livestock and domestic purposes; and to be done under KIIWP2.

Sub-component A.1: Catchment Rehabilitation and Protection. This sub-component will support investments in catchment rehabilitation through the following investments: (a) sub-catchment planning; (b) land husbandry in rainfed areas; and (c) construction of boreholes and valley tanks to supply water for livestock and domestic use. Specific ESIAs and Environmental and Social Management Plans (ESMPs) will be developed for each interventions under this subcomponent.

Sub-component A.2: Irrigation Development. Feasibility Studies (FS) and ESIA for Irrigation Schemes will be undertaken for four potential irrigation schemes in Kayonza District, namely:

- (a) Ndego Sector Irrigation Scheme Kibare (400 hectares), Humure (600 hectares) and Byimana (400 hectares).
- (b) Kabare Sector Irrigation Scheme, with a potential net area of 600 hectares to be irrigated at Gakoma.
- (c) Kanyeganyenge Dam and Irrigation Scheme with a potential command area of 150 hectares at Kabarondo.
- (d) Gishanda Dam and Irrigation Scheme with a potential command area of 125 hectares at Kabare, to benefit over 400 households.

The results of the ESIAs and the FS will determine the exact location of the interventions which may include areas outside the above identified sectors and District boundaries.

Irrigation schemes that are identified to be environmentally, socially, technically and financially viable will be developed under KIIWP2. Specific ESMPs for activities under KIIWP1 will be prepared during implementation as part of the feasibility studies and ESIAs, as the location of the sites are identified and prepared.

Sub-component A.3: Infrastructure management institutions. Formation and strengthening management committees: In order to ensure long-term sustainability, KIIWP1 will support the institutional development of management committees that will be responsible for coordinating the planning and implementation of activities in the catchment plans.

Capacity building will take place, covering three key areas: (i) governance; (ii) technical water management (operation and maintenance); and (iii) monitoring and exchange of experiences. The capacity building will be based on a participatory Farmer Field School approach. Some key features of the institutions are:

- *Scheme and District Steering Committees.* As per Ministerial Instructions the project will support the establishment and strengthening of Scheme and District-level Steering Committees to support and oversee the functioning of the Water User Organizations (WUOs) and ensure optimal use of developed land at irrigation scheme and District level.
- *Sub-Catchment management committees.* In line with the national policy, KIIWP1 will support the setting-up and strengthening of sub-catchment management committees in each watershed. These committees will put in place regulations on use, conservation, protection and management of water resources.

KIIWP1 will start with establishing the exact boundaries of the different catchments and sub-catchments in Kayonza District through Geographic Information System (GIS) mapping.

KIIWP1 will support the preparation of sub-catchment management plans, involving the sub-catchment committees in order to ensure water resources protection and conservation by all in an integrated approach.

- *Water for Livestock Users Organisations* will be established, and existing ones strengthened, to ensure the management and sustainability of boreholes and valley tanks.



Sub-component A.4: Implementation of Environmental and Social Management Plans. Under this subcomponent, environmental and social management plans as identified by the ESIA's will be implemented.

## **Component B: Institutional development and Project coordination**

This component is designed to strengthen government agencies to deliver Project outputs and to support policy dialogue and institutional development that will sustain Project interventions beyond Project completion of both phases.

Sub-component B.1: Support to policy dialogue and enabling institutional environment. KIIWP1 will strengthen institutions that can directly or indirectly support the implementation and provide policy supports that are needed for the effective implementation of the Project. Key activities and interventions foreseen under this sub-component include the below activities:

- Capacity building interventions will be identified for KIIWP staff under the Single Project Implementation Unit (SPIU).
- Gender and youth mainstreaming. Poverty and gender and youth studies will be conducted at baseline and in the third year. Initial studies will be used by RAB in connection with the SPIU to strengthen the targeting strategy and prepare a brief gender and youth action plan for KIIWP1.
- Support for policy dialogue will be provided through an evaluation of implementation and impact of new or existing policies related to the Project activities with relevant national, and district level stakeholders. Support for water management policies will be through the implementation of the recently enacted policies and legislation including Ministerial Instructions on Land Development, Conservation and Exploitation of Developed Land for the formation and registration of WLUOs and district and steering committees. In addition, KIIWP1 will strive to raise specific policy discussion points meant to address identified bottlenecks in Rwanda's agricultural sector, such as:
  - (a) Support to national policy on contract farming, making use of the tools developed through the implementation of the Legal Guide on Contract Farming developed by UNIDROIT, FAO and IFAD;
  - (b) Analyze the factors affecting rice value chain that makes Rwandan rice less competitive with regional products;
  - (c) Current issues of availability and quality of seeds, including multiplication.

Sub-component B.2: Project management and coordination. The objective of this sub-component is to provide the coordination arrangements, including the financial and human resources that are needed for the implementation of the Project.

## **II. Implementation Arrangements**

6. *Lead Project Agency.* The Lead Project Agency will be the RAB, under the auspices of MINAGRI. RAB Director General (DG) will consequently become the Chief Budget Manager (CBM) of the Project, together with Rwanda Dairy Development Project (RDDP) and Climate Resilient Post-Harvest and Agribusiness Support Project (PASP) that were transferred under it.

7. *Single Project Implementation Units (SPIU).* The SPIU will be responsible for overall Project implementation in consultation with other relevant national agencies and ministries to ensure consistency with national policies. The SPIU established at national

level will be composed of Project staff either seconded or recruited, and will be headed by the SPIU Coordinator. The SPIU will be accountable to the RAB Director General who will be the executive level head responsible for the strategic direction of the Project. The SPIU will be responsible for Project coordination and management of fiduciary issues in conformity with the standards and requirements agreed upon between Borrower and IFAD.

The SPIU coordinator in place will also oversee and coordinate KIIWP activities that will be implemented at both the central and district level. In addition to the existing SPIU staff performing cross-cutting functions of finance/accounting, monitoring and evaluation (M&E), procurement and administration, KIIWP staff will be recruited to support its implementation. The proposed KIIWP staff positions include: a Project Manager, an accountant, an M&E officer in charge also of gender and youth, an irrigation specialist, an electromechanical engineer, a civil engineer, an environmental and climate specialist, a safeguards compliance specialist, and a procurement officer.

8. *Project Steering Committee.* A Project Steering Committee will be established, chaired by the Permanent Secretary (PS), MINAGRI, or his/her nominee, and co-chaired by RAB DG, RAB Head of Corporate Services and representatives from ministries and institutions with direct relevancy to the achievement of KIIWP's goal and development objective including Ministry of Finance and Economic Planning (MINECOFIN).

The PSC will provide strategic guidance towards the achievement of Project objectives and contribute to the higher level sector policy and strategic goals. The PSC will also be responsible for review and approval of Annual Work Plan and Budgets (AWPBs) and annual reports.

9. *District-level Project Coordination Unit (PCU).* At the District level, day to day management of KIIWP1 will be implemented by a District-level Project Coordination Unit (PCU) within the District of Kayonza. The PCU will be the main executing agency of KIIWP1 at the district level. The following additional staff are proposed to supplement district capacity to provide public services: an accountant for initiating KIIWP transactions at district, a WUO/WLUO specialist, a land husbandry (soil and water conservation) engineer, a cooperative development officer, a horticulture specialist and an irrigation technician.

The Parties shall agree at Project start –up on the modalities and scope of District level activities and these will be reflected in the AWPB and in the PIM.

10. *Project Implementation Manual.* The Borrower will finalize the development of the Project Implementation Manual (PIM) for the Fund's consideration and approval. The PIM will include, inter alia, a comprehensive financial management section, will provide more details on roles and responsibilities of Project and implementing parties, the establishment of a grievance redress mechanism and include internal audit requirements. As KIIWP will be implemented in two phases, the revision of PIM is set as one of the conditions to proceed to the second phase. The PIM will be amended to incorporate the findings of KIIWP1, subject to approval by the Fund.

### **III. Project Phasing**

11. *Phases.* The Project shall be implemented in two phases over a six years period. Phase I is estimated to have a duration of 2.5 years and Phase II a duration of 3.5 years. A Phase Review shall analyse the specific minimum indicators that shall be used as triggers for the confirmation, by the Fund, of funding for, and the subsequent detailed design of, the Phase 2 of the Project.



KIIWP1 will be devoted to the necessary preparatory works, ahead of the large irrigation infrastructure activities and farm business development support that will take place during KIIWP2 once the FS and ESIA's are completed and the irrigation schemes validated. Feasibilities studies and ESIA's are expected to be ready by December 2020. Some activities initiated in KIIWP1, like the capacity building of district & scheme committees, sub-catchment committees and WLUOs might be continued based on their status and strength assessed towards the end of KIIWP1.

The activities expected to take place in KIIWP2 will be fine-tuned according to the results of the FS and ESIA's to be produced and disclosed in accordance with the national environmental regulations and Social, Environmental and Climate Assessment Procedures (SECAP) guidelines.

12. *Trigger Indicators.* During the Phase Review, the following specific minimum indicators ("Trigger Indicators") shall be reviewed and shall be the basis upon which the Fund shall decide whether to submit Phase 2 for approval of the IFAD Executive Board:

- (a) FSs identify irrigation schemes that are financially, economically, environmentally and socially viable and sustainable.
- (b) Third party satisfactory review of FSs, ESIA's and Resettlement Action Plans (RAPs).
- (c) ESIA's and RAPs are disclosed at local community level, national and IFAD website for a minimum 120 days.
- (d) Provision of a budget and commitment by the Government of Rwanda to implement the RAP and other ESMP activities identified by the ESIA's.
- (e) Revision of the Project Design Report (PDR) and PIM to incorporate the findings of KIIWP1.

13. *Phase II - KIIWP2.* The anticipated components and activities in KIIWP2 comprise:

- (a) Strengthening resilience to droughts: this component will promote climate smart agriculture for irrigated and rain-fed lands through Farmer Field Schools. It will include investment on water harvesting and storage, irrigation infrastructure development and marshland development. This component will also include the promotion of good nutritional practices and the Gender Action Learning System.
- (b) Support to farm business development: this component will assist farmers to take advantage of the investments made under the component on strengthening resilience to droughts by strengthening their organizational and entrepreneurial skills and improving their backward and forward linkages to access input, service and output markets.
- (c) Institutional development and project coordination: this component will continue supporting the project as described under KIIWP1.

Building up on KIIWP1, KIIWP2 will continue to focus on strengthening resilience to droughts as the first component (Component A). Potential irrigation development will comprise the Ndego Irrigation Scheme (net 1,400 hectares), Kibare Irrigation Scheme (net 600 hectares), Kanyeganyeye Irrigation Scheme (net 150 hectares + dam), and Gishynda Irrigation Scheme (net 125 hectares + dam). Depending on the findings from KIIWP1 FS, other irrigation schemes will be developed in place of the above, if they are found to be unviable.

**Schedule 2***Allocation Table*

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

| Category  | Loan Amount Allocated<br>(expressed in SDR ) | Allocation net of tax<br>and other financiers'<br>contribution,<br>including Government |
|---|--|---|
| I. Goods  | 1 750 000                                    | 100%  |
| II. Works                                       | 2 970 000                                    | 100%  |
| III. Consultancies & non-consulting<br>services | 5 120 000                                    | 100%  |
| IV. Training & Workshops                        | 560 000                                      | 100%  |
| V. Salaries & Allowances                        | 1 030 000                                    | -   |
| VI. Operating Costs                             | 140 000                                      | 100%  |
| Unallocated                                     | 1 280 000                                    |   |
| <b>TOTAL</b>                                    | <b>12 850 000</b>                            |   |

(b) The terms used in the Table above are defined as follows:

- (i) "Goods" includes Equipment, Materials and Vehicles
- (ii) "Works" includes land husbandry and related materials and inputs
- (iii) "Consultancies" includes non-consulting services

2. *Disbursement arrangements.*

- (a) *Start-up Advance.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 150 000, limited to categories I (excluding Vehicles) and III. Activities to be financed by Start-up Advance will require the no objection from IFAD to be considered eligible.
- (b) *Procurement arrangements:* The procurement of goods, works and services under the Project shall be conducted in accordance with the provisions of IFAD's Project Procurement Guidelines and Procurement Handbook as well as with the operational procedures and any other measures identified by IFAD.



### Schedule 3

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Parties shall carry out an assessment of the alignment of the Integrated Financial Management Information System (IFMIS) to IFAD's financing reporting requirements and the Borrower shall commit to carrying out any necessary customization as required.

2. *Planning, Monitoring and Evaluation.* The monitoring and evaluation of environmental indicators will be further refined on the basis of the finding of the ESIA's and Feasibility Studies. The ESIA's shall include feasible and cost-effective measures to maximise opportunities and prevent or reduce significant negative impacts.

The following will be the key elements of the M&E system for KIIWP1: (i) an M&E manual detailing scope, organisation and contents of the M&E system; roles and responsibilities; how data (sex- and age-disaggregated where appropriate) will be collected, analysed, reported, used and otherwise managed; timeline for M&E-related activities; staffing and capacity building plan; budget; etc.; (ii) annual M&E plans; (iii) project results chain, results framework and log frame; (iv) management information system; (v) baseline and completion surveys; (vi) mid-term review; (vii) annual outcome surveys; (viii) continuous progress monitoring of activities and outputs; (ix) risk assessment; (x) thematic studies, e.g. on targeting, gender, youth, formation of WLUOs, etc.; (xi) IFAD ORMS reporting; and (xii) field visits and joint implementation reviews.

3. *Gender.* A Gender, Targeting and Community Mobilisation Officer has been appointed in the MINAGRI SPIU to coordinate the implementation of the gender and targeting strategies.

4. *Compliance with the Social Environmental and Climate Assessment Procedures (SECAP).* The Borrower shall ensure that the Project will be implemented in compliance with IFAD's SECAP and more specifically that the following measures shall be taken: (a) all Project activities are implemented in strict conformity with the Borrower relevant laws/regulations; (b) proposals for civil works include confirmation that no involuntary land acquisition or resettlement is required under the Project. In the event of unforeseen land acquisition or involuntary resettlement under the Project, the Borrower shall immediately inform the Fund and prepare the necessary planning documents; (c) women and men shall be paid equal remuneration for work of equal value under the Project; (d) recourse to child labour is not made under the Project; (e) the measures included in the Gender Action Plan prepared for the Project are undertaken, and the resources needed for their implementation are made available, in a timely manner; and (f) all necessary and appropriate measures to implement the Gender Action Plan to ensure that women can participate and benefit equitably under the Project are duly taken.

The Project will be coordinated through an Environmental and Social Management Framework (ESMF) to examine the risks and impacts of the proposed activities including potential environmental and social vulnerabilities. The ESMF summarizes a grievance redress mechanism to receive and facilitate resolutions of complaints from Project affected parties. The ESMF specifies the environmental and social management

requirements (including labour and working conditions, grievance redress system, health and safety).

To mitigate any adverse environmental and social impacts of the project, all watershed management schemes with a command area exceeding 100 ha will be subjected to an ESIA before funds are released for the specific investments.

5. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, taking appropriate action to prevent, mitigate and combat Prohibited Practices.
6. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:
  - (a) all vehicles and other equipment procured under the Component A of KIIWP1 are allocated to the SPIU and other Implementing Agencies for Project implementation;
  - (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
  - (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.



Bibonywe kugira ngo bishyirwe ku mugereka w' Itegeko n° 031/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo yashyiriweho umukono i Roma mu Butaliyani ku wa 22 Kamena 2019 hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ebyiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS) agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza - icyiciro cya 1

Seen to be annexed to Law n° 031/2019 of 07/10/2019 approving the ratification of the Financing Agreement signed in Rome, Italy on 22 June 2019 between the Republic of Rwanda and the International Fund for Agricultural Development, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000) for Kayonza Irrigation and Integrated Watershed Management Project - Phase 1

Vu pour être annexé à la Loi n° 031/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement signé à Rome, en Italie le 22 juin 2019 entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS) pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza -Phase 1

Kigali, ku wa 07/10/2019

(Sé)

**KAGAME Paul**  
Perezida wa Repubulika

(Sé)

**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)

**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Kigali, on 07/10/2019

(Sé)

**KAGAME Paul**  
President of the Republic

(Sé)

**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)

**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Kigali, le 07/10/2019

(Sé)

**KAGAME Paul**  
Président de la République

(Sé)

**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)

**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

**ITEKA RYA PEREZIDA N° 116/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA GITSURA AMAJYAMBERE, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI IJANA NA MIRONGO INE N'ESHANU N'IBIHUMBI MAGANA ABIRI Z'AMADETESI (145.200.000 DTS), AGENEWE UMUSHINGA W'UBUREZI BWIZA BW'IBANZE MU ITERAMBERE RY'UMUKOZI MU RWANDA, YASHYIRIWEHO UMUKONO I KIGALI, MU RWANDA, KU WA 01 KANAMA 2019**

**PRESIDENTIAL ORDER N° 116/01 OF 06/11/2019 RATIFYING THE FINANCING AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, RELATING TO THE CREDIT OF ONE HUNDRED FORTY-FIVE MILLION TWO HUNDRED THOUSAND SPECIAL DRAWING RIGHTS (SDR 145,200,000), FOR RWANDA QUALITY BASIC EDUCATION FOR HUMAN CAPITAL DEVELOPMENT PROJECT, SIGNED IN KIGALI, RWANDA, ON 01 AUGUST 2019**

**ARRÊTÉ PRÉSIDENTIEL N° 116/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT ENTRE LA RÉPUBLIQUE DU RWANDA ET L'ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT, RELATIF AU CRÉDIT DE CENT QUARANTE CINQ MILLIONS DEUX CENT MILLE DROITS DE TIRAGE SPÉCIAUX (145.200.000 DTS), POUR LE PROJET D'ÉDUCATION DE BASE POUR LE DÉVELOPPEMENT DU CAPITAL HUMAIN AU RWANDA, SIGNÉ À KIGALI, AU RWANDA, LE 01 AOÛT 2019**

## **ISHAKIRO**

**Ingingo ya mbere: Kwemeza burundu**

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

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**ITEKA RYA PEREZIDA N° 116/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA GITSURA AMAJYAMBERE, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI IJANA NA MIRONGO INE N'ESHANU N'IBIHUMBI MAGANA ABIRI Z'AMADETESI (145.200.000 DTS), AGENEWE UMUSHINGA W'UBUREZI BWIZA BW'IBANZE MU ITERAMBERE RY'UMUKOZI MU RWANDA, YASHYIRIWEHO UMUKONO I KIGALI, MU RWANDA, KU WA 01 KANAMA 2019**

**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

Dushingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavuguruwe mu 2015, cyane cyane mu ngingo zaryo, iya 112, iya 120, iya 122, iya 167, iya 168, n'iya 176;

Dushingiye ku Itegeko n° 029/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo yashyiriweho umukono i Kigali, mu Rwanda ku wa 01 Kanama 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS), agenewe

**PRESIDENTIAL ORDER N° 116/01 OF 06/11/2019 RATIFYING THE FINANCING AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, RELATING TO THE CREDIT OF ONE HUNDRED FORTY-FIVE MILLION TWO HUNDRED THOUSAND SPECIAL DRAWING RIGHTS (SDR 145,200,000), FOR RWANDA QUALITY BASIC EDUCATION FOR HUMAN CAPITAL DEVELOPMENT PROJECT, SIGNED IN KIGALI, RWANDA, ON 01 AUGUST 2019**

**We, KAGAME Paul,**  
President of the Republic;

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 112, 120, 122, 167, 168 and 176;

Pursuant to Law n° 029/2019 of 07/10/2019 approving the ratification of the Financing Agreement signed in Kigali, Rwanda, on 01 August 2019, between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000), for Rwanda Quality Basic Education for Human Capital Development Project;

**ARRÊTÉ PRÉSIDENTIEL N° 116/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT, ENTRE LA RÉPUBLIQUE DU RWANDA ET L'ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT, RELATIF AU CRÉDIT DE CENT QUARANTE CINQ MILLIONS DEUX CENT MILLE DROITS DE TIRAGE SPÉCIAUX (145.200.000 DTS) POUR LE PROJET D'ÉDUCATION DE BASE, POUR LE DÉVELOPPEMENT DU CAPITAL HUMAIN AU RWANDA, SIGNÉ À KIGALI, AU RWANDA, LE 01 AOÛT 2019**

**Nous, KAGAME Paul,**  
Président de la République ;

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses articles 112, 120, 122, 167, 168 et 176;

Vu la Loi n° 029/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement signé à Kigali, au Rwanda, le 01 août 2019, entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS), pour le Projet d'Education de Base pour le Développement du Capital Humain au Rwanda;



umushinga w'uburezi bwiza bw'ibanze mu iterambere ry'umukozi mu Rwanda;

Tumaze kubona Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS), agenewe umushinga w'uburezi bwiza bw'ibanze mu iterambere ry'umukozi mu Rwanda, yashyiriweho umukono i Kigali, mu Rwanda, ku wa 01 Kanama 2019;

Bisabwe na Minisitiri w'Imari n'Igenamigambi;

Inama y'Abaminisitiri imaze kubisuzuma no kubyemeza;

**TWATEGETSE KANDI DUTEGETSE:**

**Ingingo ya mbere: Kwemeza burundu**

Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS), agenewe umushinga w'uburezi bwiza bw'ibanze mu iterambere ry'umukozi mu Rwanda, yashyiriweho umukono i Kigali, mu Rwanda, ku wa 01 Kanama 2019, ari ku mugereka w'iri teka,

Considering the Financing Agreement between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000), for Rwanda Quality Basic Education for Human Capital Development Project, signed in Kigali, Rwanda, on 01 August 2019;

On proposal by the Minister of Finance and Economic Planning;

After consideration and approval by the Cabinet;

**HAVE ORDERED AND ORDER:**

**Article One: Ratification**

The Financing Agreement between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000), for Rwanda Quality Basic Education for Human Capital Development Project, signed in Kigali, Rwanda, on 01 August 2019 annexed to this Order, is ratified and becomes fully effective.

Considérant l'Accord de financement entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS), pour le Projet d'Education de Base pour le Développement du Capital Humain au Rwanda, signé à Kigali, au Rwanda, le 01 août 2019;

Sur proposition du Ministre des Finances et de la Planification Économique;

Après examen et adoption par le Conseil des Ministres;

**AVONS ARRÊTÉ ET ARRÊTONS:**

**Article premier: Ratification**

L'Accord de financement entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS), pour le Projet d'Education de Base pour le Développement du Capital Humain au Rwanda, signé à Kigali, au Rwanda, le 01 août 2019 annexé au présent arrêté, est ratifié et sort son plein et entier effet.

yemejwe burundu kandi atangiye gukurikizwa uko yakabaye.

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

Minisitiri w'Intebe, Minisitiri w'Imari n'Igenamigambi, Minisitiri w'Ububanyi n'Amahanga n'Ubutwererane na Minisitiri w'Uburezi bashinzwe gushyira mu bikorwa iri teka.

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

Iri teka ritangira gukurikizwa ku munsu ritangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 06/11/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Authorities responsible for the implementation of this Order**

The Prime Minister, the Minister of Finance and Economic Planning, the Minister of Foreign Affairs and International Cooperation and the Minister of Education are entrusted with the implementation of this Order.

**Article 3: Commencement**

This Order comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 06/11/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Autorités chargées de l'exécution du présent arrêté**

Le Premier Ministre, le Ministre des Finances et de la Planification Économique, le Ministre des Affaires Étrangères et de la Coopération Internationale et le Ministre de l'Éducation sont chargés de l'exécution du présent arrêté.

**Article 3: Entrée en vigueur**

Le présent arrêté entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 06/11/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

**UMUGEREKA W'ITEKA RYA PEREZIDA  
N° 116/01 RYO KU WA 06/11/2019  
RYEMEZA BURUNDU AMASEZERANO  
Y'INGUZANYO HAGATI YA  
REPUBLIKA Y'U RWANDA N'IKIGEGA  
MPUZAMAHANGA GITSURA  
AMAJYAMBERE, YEREKERANYE  
N'INGUZANYO INGANA NA MILIYONI  
IJANA NA MIRONGO INE N'ESHANU  
N'IBIHUMBI MAGANA ABIRI  
Z'AMADETESI (145.200.000 DTS),  
AGENEWE UMUSHINGA W'UBUREZI  
BWIZA BW'IBANZE MU ITERAMBERE  
RY'UMUKOZI MU RWANDA,  
YASHYIRIWEHO UMUKONO I KIGALI,  
MU RWANDA, KU WA 01 KANAMA 2019**

**ANNEX TO PRESIDENTIAL ORDER N°  
116/01 OF 06/11/2019 RATIFYING THE  
FINANCING AGREEMENT BETWEEN  
THE REPUBLIC OF RWANDA AND THE  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION, RELATING TO THE  
CREDIT OF ONE HUNDRED FORTY-FIVE  
MILLION TWO HUNDRED THOUSAND  
SPECIAL DRAWING RIGHTS (SDR  
145,200,000), FOR RWANDA QUALITY  
BASIC EDUCATION FOR HUMAN  
CAPITAL DEVELOPMENT PROJECT,  
SIGNED IN KIGALI, RWANDA, ON 01  
AUGUST 2019**

**ANNEXE À L'ARRÊTÉ PRÉSIDENTIEL N°  
116/01 DU 06/11/2019 RATIFIANT  
L'ACCORD DE FINANCEMENT ENTRE LA  
RÉPUBLIQUE DU RWANDA ET  
L'ASSOCIATION INTERNATIONALE DE  
DÉVELOPPEMENT, RELATIF AU CRÉDIT  
DE CENT QUARANTE CINQ MILLIONS  
DEUX CENT MILLE DROITS DE TIRAGE  
SPÉCIAUX (145.200.000 DTS), POUR LE  
PROJET D'ÉDUCATION DE BASE POUR LE  
DÉVELOPPEMENT DU CAPITAL HUMAIN  
AU RWANDA, SIGNÉ À KIGALI, AU  
RWANDA, LE 01 AOÛT 2019**



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**CREDIT NUMBER: 6475-RW**

# **Financing Agreement**

**(Rwanda Quality Basic Education for Human Capital Development Project)**

**between**

**REPUBLIC OF RWANDA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER: 6475-RW**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between the REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000) (variously, "Credit" and "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 Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are January 15 and July 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. 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 carry out Parts 1.3, 1.4, 2.1 3.1, 3.2 of the Project through MINEDUC and Parts 1, 2.2, 2.3, 3.1, and 3.2 of the Project through REB in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement.

### **ARTICLE IV —TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is the Minister responsible for finance.

- 5.02. 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:

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

- 5.03. 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:

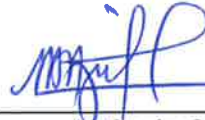
248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF RWANDA**

**By**



\_\_\_\_\_  
Authorized Representative

**Name:** Dr. Uzziel Ndagumana

**Title:** Minister

**Date:** 01/08/2019



**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



\_\_\_\_\_  
Authorized Representative

**Name:** Yasser El-Gammal

**Title:** Country Manager

**Date:** August 1, 2019



## SCHEDULE 1

### Project Description

The objective of the Project is to improve teacher competency and student retention and learning in basic education.

The Project consists of the following parts:

#### Part 1. Enhancing teacher effectiveness for improved student learning

1.1. Improve teachers' English language proficiency and digital skills through, *inter alia*, development and delivery of facilitated online courses and assessments. This includes (a) providing self-study and face-to-face training and mentoring on English language and digital skills, (b) supporting development and review of English language course materials, (c) reviewing digital literacy course material currently used in the country, (d) creating digital versions of the English language and digital literacy course materials and assessments, (e) providing printed version of course materials to school libraries; and (f) strengthening the electronic platform owned by REB to host the online courses.

1.2. Support professional development of math and science teachers in upper primary through lower secondary schools by, *inter alia*: (a) modernizing instructional tools for teaching mathematics and science, including use of high-quality scripted lessons for students, provision of complementary inputs such as laptop computers, projectors and science kits, and use of virtual science laboratories and project-based learning; and (b) enhancing teacher content knowledge and pedagogical practice, including use of a package of instructional tools and training of teachers, as well as instructional leaders to support teachers.

1.3. Strengthen the preparation of new teachers in Teacher Training Colleges ("TTCs") by, *inter alia*: (a) enhancing the capacity of TTC leaders and TTC teachers (tutors) through workshops, online courses and assessments, and enhanced tutor evaluation practices; (b) enhancing TTC student learning and preparation through development and dissemination of new curriculum textbooks, establishment of a language and digital skills mentor program, provision of quality practical training, and improved formative assessment strategies; (c) improving teaching and learning environment within the TTCs, including construction and renovation of physical infrastructure of TTCs, provision of basic ICT facilities, equipment and teaching and learning materials, and provision of an essential package for gender sensitive teaching and learning; and (d) strengthening communities of practice across TTCs through establishment of a system of institutional peer review and feedback, a TTC peer-learning journal, and a national conference for innovative teaching and learning practices.

1.4. Develop model schools to support innovative instructional practices by, *inter alia*: (a) building the capacity of model schools to develop innovative teaching and learning



practice through provision of training to strengthen management and instructional capacity, development of communities of practice, study visits for school leaders and teachers to learn from best practice, development of an essential package encompassing gender sensitive teaching and learning, establishing coding clubs for boys and girls, improvement of infrastructure and facilities, and provision of materials for students with special needs; (b) supporting TTC students through mentoring and coaching, joint lesson plan and assessment development, observations, co-teaching, and improved formative assessment strategies; and (c) disseminating innovative teaching and learning practices to other schools in the country through development and sharing of model lessons across various platforms, hosting of teachers from other schools for observations and workshops, performing outreach to other schools, and participation in national symposium on teaching and learning.

## Part 2. Improving the school environment to support student learning

2.1. Reduce overcrowding and distance to schools by, *inter alia*: (a) constructing additional classrooms, including latrines and equipping classrooms with furniture to improve the learning environment in existing schools; (b) constructing new schools for pre-primary and primary grades; (c) providing support for the development of a national school construction and maintenance strategy, and (d) supporting construction site assessments and safeguards measures required for compliance with environment and social standards.

2.2. Enrich early learning environment by, *inter alia*: (a) developing audio-visual programs for early learning (pre-primary to grade 3 of primary), including radio, and on-line and off-line platforms; and (b) providing a basic package of teaching and learning materials for pre-primary classes.

2.3. Support gender sensitive teaching and learning environment by, *inter alia*: (a) developing a school-wide gender sensitive teaching and learning environment in model schools through provision of training for school leaders, teachers, students and staff and setting up student clubs to discuss key gender-related topics; and (b) supporting behavior change communication around key education issues related to gender across the country through various national platforms

## Part 3: Developing institutional capacity to strengthen teaching and learning

3.1. Support quality assurance systems by, *inter alia*: (a) improving quality of candidates entering the teaching profession at the primary level through establishment of national teacher standards and improving national teacher recruitment policy; (b) strengthening the school inspection system by completing digitization of school inspection system, providing training to inspectors to support teachers and facilitate useful feedback, (c) strengthening the national learning assessment system and strategy, including conducting a technical review of LARS and improving assessment instruments; and (d) participating in regional or international student learning assessment.

3.2. Strengthen Project management, implementation and monitoring capacity including, financing of Incremental Operating Costs and SPIU staff cost (including engineers and social and environment staff based at the district level), and provision of consultants' services, goods (such as equipment and furniture) and Training to the MINEDUC-SPIU and REB-SPIU, as well as provision of technical assistance for Project planning, monitoring and evaluation, financial management, procurement, and compliance with environment and social standards.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

###### *Steering Committee*

1. The Recipient shall no later than two (2) weeks after the Effective Date, fully establish and thereafter maintain during Project implementation, a Steering Committee to be responsible for providing guidance, overseeing, and reviewing progress of implementation of the Project, which committee shall have composition and mandate acceptable to the Association and be headed by high level representatives of agencies implementing the Project, their respective SPIUs, and representatives of MINECOFIN, Ministry of Local Government, Ministry of Infrastructure, Rwanda Development Board, Rwanda Information Society Authority, Rwanda Housing Authority, University of Rwanda, National Early Childhood Development Programme, and other relevant institutions that might be appropriate as further detailed in the POM.

###### *MINEDUC-SPIU*

2. The Recipient shall no later than eight (8) weeks after the Effective Date, establish with core staff and thereafter maintain during Project implementation, the MINEDUC-SPIU to be responsible, with respect to Parts 1.3, 1.4, 2.1, 3.1 and 3.2 of the Project, for overseeing overall coordination, administration and financial management, internal audit, disbursement, procurement, monitoring and evaluation, planning operations, environmental and social matters, and communication under said Parts, and composed of key staff, with qualifications and under terms of reference acceptable to the Association, and as further detailed in the POM.

###### *REB-SPIU*

3. The Recipient shall no later than eight (8) weeks after the Effective Date, establish with core staff and thereafter maintain during Project implementation, the REB-SPIU to be responsible, with respect to Parts 1, 2.2, 2.3, and 3.1, and 3.2 of the Project, for overseeing coordination, administration and financial management, internal audit, disbursement, procurement, monitoring and evaluation, and planning operations for project activities under said Parts, and composed of key staff, with qualifications and under terms of reference acceptable to the Association, and as further detailed in the POM.



**B. Manuals**

1. *Project Operation Manual*

The Recipient shall:

- (a) Prepare and furnish to the Association for approval;
  - (i) a Project Operations Manual ("POM") setting out detailed guidelines, methods and procedures for the implementation of the Project, including: (A) Project description and roles and responsibilities; (B) administration and coordination; (C) budget and budgetary control; (D) disbursement procedures and banking arrangements; (E) financial, procurement and accounting procedures; (F) internal control procedures; (G) accounting system and transaction records; (H) reporting requirements; (I) audit arrangements; (J) corruption and fraud mitigation measures; (K) environment and social safeguards requirements; and (L) such other arrangements and procedures as shall be required for the effective implementation of the Project; and
- (b) within one (1) week after the Effective Date, adopt such POM as shall have been approved by the Association and thereafter, implement the Project and cause the Project to be implemented in accordance with the POM.

*Construction Operation Manual*

- 2. The Recipient shall prepare and furnish to the Association for approval, a Construction Operation Manual ("COM") setting out detailed guidelines, methods and procedures for construction activities to be carried out under the Project and adopt such COM as shall have been approved by the Association and thereafter, implement the Project in accordance with the requirements of the COM.

*Maintenance of POM and COM*

- 3. The Recipient shall ensure that the POM and the COM are not assigned, amended, abrogated or waived without the prior written approval of the Association.
- 4. In case of any conflict between the terms of any of POM, and the COM and those of this Agreement, the terms of this Agreement shall prevail.

**C. Environmental and Social Standards.**

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (b) sufficient funds are available to cover the costs of implementing the ESCP;
- (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:

- (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and any management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall maintain and publicize the availability of a grievance 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.

**D. Annual Work Plan and Budget**

1. Each year the Recipient shall prepare a draft annual work plan and budget ("AWPB") for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than April 1 of each year, the AWPB and the evidences referred to in paragraph 1 above, for their review and approval. Only the activities included in an AWPB expressly approved by the Association are eligible to a financing from the proceeds of the Financing.
3. The Recipient shall ensure that the Project is carried out in accordance with the AWPB.

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

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**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:

| <b>Category</b>   | <b>Amount of the Credit Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|---|--|---|
| (1) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training under Parts 1, 2.2, 2.3, and 3 of the Project and implemented by, or related to implementation by REB | 34,900,000   | 100%  |



| <b>Category</b>   | <b>Amount of the Credit Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|---|--|---|
| (2) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training under Part 3 of the Project and implemented by MINEDUC      | 5,600,000  | 100%  |
| (3) Works, goods, non-consulting services, and consulting services, all for school construction under Parts 1 and 2 of the Project and implemented by MINEDUC | 104,700,000  | 100%  |
| <b>TOTAL AMOUNT</b>   | 145,200,000  |   |

**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, except that withdrawals up to an aggregate amount not to exceed \$32,000,000 may be made for payments made prior to this date but on or after April 1, 2019, for Eligible Expenditures under Categories (2) and (3) up to an amount not to exceed \$31,900,000 and under Category (1) up to an amount not to exceed \$100,000; or
  - (b) under Category (3) until the Association notifies the Recipient that the Association is satisfied with the COM prepared and adopted in accordance with Section I.B.2 of this Schedule.
2. The Closing Date is October 31, 2024.

**SCHEDULE 3**

**Repayment Schedule**

| Date Payment Due   | Principal Amount of the Credit repayable (expressed as a percentage)* |
|--|---|
| On each January 15 and July 15, commencing January 15, 2026 to and including July 15, 2057 | 1.5625%   |

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

## APPENDIX

### 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. "AWPB" means the Annual Work Plan and Budget to be prepared, approved and implemented in accordance with Section I.D of Schedule 2 to this Agreement.
3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. "CBC" means Competency-Based Curriculum.
5. "Construction Operation Manual" or "COM" means the manual referred to in Section I.B.2 and Section III.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
6. "E-learning" means learning utilizing electronic technologies to access educational curriculum outside of a traditional classroom.
7. "Environmental and Social Commitment Plan" or the acronym "ESCP" means the Recipient's environmental and social commitment plan, acceptable to the Association, dated June 26, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
8. "Environmental and Social Standards" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental



and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association at <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.

9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
10. “Incremental Operating Costs” means the reasonable incremental costs, as shall have been approved by the Association, incurred by the Recipient, on account of Project administration, implementation, monitoring and supervision consisting of vehicle and motorcycle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and *per diem* for Project staff for travel linked to the implementation, monitoring and supervision of the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
11. “ICT” means Information and Communication Technology.
12. “Ministry of Finance and Economic Planning” or “MINECOFIN” means the Recipient’s ministry in charge of finance; or any successor thereto.
13. “MINEDUC” means the Recipient’s Ministry of Education, and any successor thereto.
14. “MINEDUC-SPIU” means the Single Project Implementation Unit established in the Recipient’s Ministry of Education and referred to in Section I.A.2 of Schedule 2 to this Agreement.
15. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
16. “Project Operations Manual” or “POM” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
17. “REB” means the Rwanda Education Board established pursuant to Law No. 44/2010 published in the Official Gazette on January 14, 2011.
18. “REB-SPIU” means the Single Project Implementation Unit established in the Rwanda Education Board and referred to in Section I.A.3 of Schedule 2 to this Agreement.

19. "Safeguards Instruments" means any document/instrument prepared by the Recipient pursuant to the ESCP to assess and/or set out material measures and actions to address the potential environmental and social risks and impacts of the Project.
20. "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.
21. "SPIU" means a Single Project Implementation Unit established in an agency implementing the Project.
22. "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.
23. "TTC" means Teacher Training College.

Bibonywe kugira ngo bishyirwe ku mugereka w'Iteka rya Perezida n° 116/01 ryo ku wa 06/11/2019 ryemeza burundu Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Gitsura Amajyambere, yerekeranye n'inguzanyo ingana na miliyoni ijana na mirongo ine n'eshanu n'ibihumbi magana abiri z'Amadetsi (145.200.000 DTS), agenewe umushinga w'uburezi bwiza bw'ibanze mu iterambere ry'umukozi mu Rwanda, yashyiriweho umukono i Kigali, mu Rwanda, ku wa 01 Kanama 2019

Kigali, ku wa 06/11/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Seen to be annexed to the Presidential Order n° 116/01 of 06/11/2019 ratifying the Financing Agreement between the Republic of Rwanda and the International Development Association, relating to the credit of one hundred forty-five million two hundred thousand Special Drawing Rights (SDR 145,200,000), for Rwanda Quality Basic Education for Human Capital Development Project, signed in Kigali, Rwanda, on 01 August 2019

Kigali, on 06/11/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Vu pour être annexé à l'Arrêté Présidentiel n° 116/01 du 06/11/2019 ratifiant l'Accord de financement entre la République du Rwanda et l'Association Internationale de Développement, relatif au crédit de cent quarante-cinq millions deux cent mille Droits de Tirage Spéciaux (145.200.000 DTS), pour le Projet d'Education de Base pour le Développement du Capital Humain au Rwanda, signé à Kigali, au Rwanda, le 01 août 2019

Kigali, le 06/11/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux



**ITEKA RYA PEREZIDA N° 117/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO Y'INYONGERA HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA NYAFURIKA GITSURA AMAJYAMBERE, YEREKERANYE N'INGUZANYO Y'INYONGERA INGANA NA MILIYONI CUMI N'ESHESHATU N'IBIHUMBI MAGANA ANE BYA *UNITS OF ACCOUNT* (16.400.000 UA), AGENEWE GAHUNDA YA II YO KONGERA UBURYO BWO KWEGEREZA ABATURAGE AMASHANYARAZI (SEAP II), YASHYIRIWEHO UMUKONO I KIGALI MU RWANDA, KU WA 12 KAMENA 2019**

**PRESIDENTIAL ORDER N° 117/01 OF 06/11/2019 RATIFYING THE ADDITIONAL FINANCING LOAN AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE AFRICAN DEVELOPMENT FUND, RELATING TO THE ADDITIONAL FINANCING LOAN AGREEMENT OF SIXTEEN MILLION FOUR HUNDRED THOUSAND UNITS OF ACCOUNT (UA 16,400,000), FOR SCALING UP ELECTRICITY ACCESS PROGRAM II (SEAP II), SIGNED IN KIGALI, RWANDA, ON 12 JUNE 2019**

**ARRÊTÉ PRÉSIDENTIEL N° 117/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT ADDITIONNEL DE PRÊT ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS AFRICAIN DE DÉVELOPPEMENT, RELATIF AU PRÊT ADDITIONNEL DE SEIZE MILLIONS QUATRE CENT MILLE UNITÉS DE COMPTE (16.400.000 UC), POUR LE SECOND PROGRAMME D'AMÉLIORATION DE L'ACCÈS À L'ÉLECTRICITÉ (SEAP II), SIGNÉ À KIGALI, AU RWANDA, LE 12 JUIN 2019**

**ISHAKIRO**

**Ingingo ya mbere: Kwemeza burundu**

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

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**ITEKA RYA PEREZIDA N° 117/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO Y'INYONGERA HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA NYAFURIKA GITSURA AMAJYAMBERE, YEREKERANYE N'INGUZANYO Y'INYONGERA INGANA NA MILIYONI CUMI N'ESHESHATU N'IBIHUMBI MAGANA ANE BYA *UNITS OF ACCOUNT* (16.400.000 UA) AGENEWE GAHUNDA YA II YO KONGERA UBURYO BWO KWEGEREZA ABATURAGE AMASHANYARAZI (SEAP II), YASHYIRIWEHO UMUKONO I KIGALI MU RWANDA, KU WA 12 KAMENA 2019**

**PRESIDENTIAL ORDER N° 117/01 OF 06/11/2019 RATIFYING THE ADDITIONAL FINANCING LOAN AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE AFRICAN DEVELOPMENT FUND, RELATING TO THE ADDITIONAL FINANCING LOAN AGREEMENT OF SIXTEEN MILLION FOUR HUNDRED THOUSAND UNITS OF ACCOUNT (UA 16,400,000), FOR SCALING UP ELECTRICITY ACCESS PROGRAM II (SEAP II), SIGNED IN KIGALI, RWANDA, ON 12 JUNE 2019**

**ARRÊTÉ PRÉSIDENTIEL N° 117/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT ADDITIONNEL DE PRÊT ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS AFRICAIN DE DÉVELOPPEMENT, RELATIF AU PRÊT ADDITIONNEL DE SEIZE MILLIONS QUATRE CENT MILLE UNITÉS DE COMPTE (16.400.000 UC), POUR LE SECOND PROGRAMME D'AMÉLIORATION DE L'ACCÈS À L'ÉLECTRICITÉ (SEAP II), SIGNÉ À KIGALI, AU RWANDA, LE 12 JUIN 2019**

**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

**We, KAGAME Paul,**  
President of the Republic;

**Nous, KAGAME Paul,**  
Président de la République;

Dushingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavuguruwe mu 2015, cyane cyane mu ngingo zaryo, iya 112, iya 120, iya 122, iya 167, iya 168, n'iya 176;

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 112, 120, 122, 167, 168 and 176;

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses articles 112, 120, 122, 167, 168 et 176;

Dushingiye ku Itegeko n° 030/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo y'inyongera yashyiriweho umukono i Kigali, mu Rwanda, ku wa 12 Kamena 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya *Units of Account*

Pursuant to Law n° 030/2019. of 07/10/2019 approving the ratification of the Additional Financing Loan Agreement signed in Kigali, Rwanda, on 12 June 2019, between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000), for Scaling up Electricity Access Program II (SEAP II);

Vu la Loi n° 030/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement additionnel de prêt signé à Kigali, au Rwanda, le 12 juin 2019, entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC), pour le Second Programme d'Amélioration de l'Accès à l'Electricité (SEAP II);

(16.400.000 UA), agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II);

Tumaze kubona Amasezerano y'inguzanyo y'inyongera hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya *Units of Account* (16.400.000 UA), agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II), yashyiriweho umukono i Kigali, mu Rwanda, ku wa 12 Kamena 2019;

Bisabwe na Minisitiri w'Imari n'Igenamigambi;

Inama y'Abaminisitiri imaze kubisuzuma no kubyemeza;

## **TWATEGETSE KANDI DUTEGETSE:**

### **Ingingo ya mbere: Kwemeza burundu**

Amasezerano y'inguzanyo y'inyongera hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya *Units of Account* (16.400.000 UA), agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II), yashyiriweho umukono i Kigali, mu Rwanda ku wa 12 Kamena 2019, ari ku mugereka w'iri teka, yemejwe

Considering the Additional Financing Loan Agreement between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000), for Scaling up Electricity Access Program II (SEAP II), signed in Kigali, Rwanda, on 12 June 2019 ;

On proposal by the Minister of Finance and Economic Planning;

After consideration and approval by the Cabinet;

## **HAVE ORDERED AND ORDER:**

### **Article One: Ratification**

The Additional Financing Loan Agreement between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000), for Scaling up Electricity Access Program II (SEAP II), signed in Kigali, Rwanda, on 12 June 2019, annexed to this Order, is ratified and becomes fully effective.

Considérant l'Accord de financement additionnel de prêt entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC), pour le Second Programme d'Amélioration de l'Accès à l'Electricité (SEAP II), signé à Kigali, au Rwanda, le 12 juin 2019;

Sur proposition du Ministre des Finances et de la Planification Économique;

Après examen et adoption par le Conseil des Ministres;

## **AVONS ARRÊTÉ ET ARRÊTONS:**

### **Article premier: Ratification**

L'Accord de financement additionnel de prêt entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC), pour le Second Programme d'Amélioration de l'Accès à l'Electricité (SEAP II), signé à Kigali, au Rwanda, le 12 juin 2019, annexé au présent arrêté, est ratifié et sort son plein et entier effet.



burundu kandi atangiye gukurikizwa uko yakabaye.

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

Minisitiri w'Intebe, Minisitiri w'Imari n'Igenamigambi, Minisitiri w'Ububanyi n'Amahanga n'Ubutwererane na Minisitiri w'Ibikorwa Remezo bashinzwe gushyira mu bikorwa iri teka.

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

Iri teka ritangira gukurikizwa ku munsu ritangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 06/11/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**  
(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Authorities responsible for the implementation of this Order**

The Prime Minister, the Minister of Finance and Economic Planning, the Minister of Foreign Affairs and International Cooperation and the Minister of Infrastructure are entrusted with the implementation of this Order.

**Article 3: Commencement**

This Order comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 06/11/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**  
(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Autorités chargées de l'exécution du présent arrêté**

Le Premier Ministre, le Ministre des Finances et de la Planification Économique, le Ministre des Affaires Étrangères et de la Coopération Internationale et le Ministre des Infrastructures sont chargés de l'exécution du présent arrêté.

**Article 3: Entrée en vigueur**

Le présent arrêté entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 06/11/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**  
(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux

UMUGEREKA W'ITEKA RYA PEREZIDA  
N° 117/01 RYO KU WA 06/11/2019  
RYEMEZA BURUNDU AMASEZERANO  
Y'INGUZANYO Y'INYONGERA HAGATI  
YA REPUBULIKA Y'U RWANDA  
N'IKIGEGA NYAFURIKA GITSURA  
AMAJYAMBERE, YEREKERANYE  
N'INGUZANYO Y'INYONGERA INGANA  
NA MILIYONI CUMI N'ESHESHATU  
N'IBIHUMBI MAGANA ANE BYA *UNITS OF*  
*ACCOUNT* (16.400.000 UA), AGENEWE  
GAHUNDA YA II YO KONGERA UBURYO  
BWO KWEGEREZA ABATURAGE  
AMASHANYARAZI (SEAP II),  
YASHYIRIWEHO UMUKONO I KIGALI,  
MU RWANDA, KU WA 12 KAMENA 2019

ANNEX TO PRESIDENTIAL ORDER N°  
117/01 OF 06/11/2019 RATIFYING THE  
ADDITIONAL FINANCING LOAN  
AGREEMENT BETWEEN THE REPUBLIC  
OF RWANDA AND THE AFRICAN  
DEVELOPMENT FUND, RELATING TO  
THE ADDITIONAL LOAN OF SIXTEEN  
MILLION FOUR HUNDRED THOUSAND  
UNITS OF ACCOUNT (UA 16,400,000), FOR  
SCALING UP ELECTRICITY ACCESS  
PROGRAM II (SEAP II), SIGNED IN  
KIGALI, RWANDA, ON 12 JUNE 2019

ANNEXE À L'ARRÊTÉ PRÉSIDENTIEL N°  
117/01 DU 06/11/2019 RATIFIANT L'ACCORD  
DE FINANCEMENT ADDITIONNEL DE PRÊT  
ENTRE LA RÉPUBLIQUE DU RWANDA ET  
LE FONDS AFRICAIN DE  
DÉVELOPPEMENT, RELATIF AU PRÊT  
ADDITIONNEL DE SEIZE MILLIONS  
QUATRE CENT MILLE UNITÉS DE COMPTE  
(16.400.000 UC), POUR LE SECOND  
PROGRAMME D'AMÉLIORATION DE  
L'ACCÈS À L'ÉLECTRICITÉ (SEAP II),  
SIGNÉ À KIGALI, AU RWANDA, LE 12 JUIN  
2019



**PROGRAM ID No. : P-RW-FA0-008**

**LOAN No.: 2100150041594**

**ADDITIONAL FINANCING**

**LOAN AGREEMENT**

**BETWEEN**

**THE REPUBLIC OF RWANDA**

**AND**

**AFRICAN DEVELOPMENT FUND**

**SCALING UP ELECTRICITY ACCESS PROGRAM II  
(SEAP II)- ADDITIONAL FINANCING**

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*Handwritten signature/initials*



## LOAN AGREEMENT

### SCALING UP ELECTRICITY ACCESS PROGRAM II (SEAP II)- ADDITIONAL FINANCING

PROGRAM ID No. : P- RW-FA0-008

LOAN No. : 2100150041594

This LOAN AGREEMENT, (the "Agreement") is entered into this 12<sup>th</sup> day of June 2019 between the REPUBLIC OF RWANDA (the "Borrower") and the AFRICAN DEVELOPMENT FUND (the "Fund").

#### WHEREAS:

- (A) The Borrower has requested the Fund to provide an additional loan out of its resources, to assist in financing the additional scope under the Scaling Up Electricity Access Program II (SEAP II) (the "Program") as further described in Schedule I (*Program Description*) to this Agreement;
- (B) The Borrower's Ministry of Finance and Economic Planning ("MINECOFIN"), Ministry of Infrastructure ("MININFRA") and the Energy Development Corporation Limited ("EDCL") shall be the executing agencies (the "Executing Agencies") for the Program;
- (C) On 16 October 2018, the Borrower entered into a loan agreement No. 2000200003102 with the African Development Bank (the "Bank") for a loan of an amount not exceeding One Hundred and Sixty Five Million Five Hundred and Ninety Thousand Euros (EUR 165,590,000) to assist in the financing of the Program ( the "Initial ADB Loan Agreement");
- (D) On 16 October 2018, the Borrower entered into a loan agreement No. 2100150040243 with the Fund for a loan of an amount not exceeding Fifty-Three Million Units of Account (UA 53,000,000) to assist in the financing of the Program (the "Initial ADF Loan Agreement") ; and  
  
"The Initial ADB Loan Agreement and the Initial ADF Loan Agreements are jointly referred to as the Initial Loan Agreements".
- (E) The Fund has agreed on the basis, *inter alia*, of the foregoing to extend to the Borrower as an additional loan, the amount specified in Section 2.01



(Amount) of this Agreement on the terms and conditions set forth and /or referred to in this Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:

## ARTICLE I GENERAL CONDITIONS - DEFINITIONS

Section 1.01. **General Conditions.** The *General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities)* dated February 2009, as modified by Schedule IV (*Modifications to the General Conditions*) to this Agreement, and as the same may be amended from time to time, (the "General Conditions") constitute an integral part of this Agreement.

Section 1.02. **Definitions.** Unless the context otherwise requires, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in Schedule III (*Definitions*) to this Agreement.

Section 1.03. **Schedules.** The Schedules to this Agreement form an integral part of this Agreement and shall have effect as if set out in full herein.

## ARTICLE II THE LOAN

Section 2.01. **Amount.** The Fund agrees to extend to the Borrower, on the terms and conditions set forth and / or referred to in this Agreement, a loan of an amount, in various convertible currencies other than the currency of the Borrower, not exceeding the equivalent of Sixteen Million Four Hundred Thousand Units of Account (UA16, 400,000) (the "Loan") to assist in the financing of the Program.

Section 2.02. **Payment Dates.** The Payment Dates are 1 June and 1 December in each year.

Section 2.03. **Commitment Charge.** The Commitment Charge payable by the Borrower on the Undisbursed Loan Balance shall be at a rate equal to zero point five per cent (0.5%) per annum. The Commitment Charge shall begin to accrue one



hundred and twenty (120) days after the Date of the Loan Agreement and shall be payable on a Payment Date.

Section 2.04. **Service Charge.** The Service Charge payable by the Borrower on the Disbursed Loan Balance shall be equal to zero point seventy-five per cent (0.75%) per annum. The Service Charge shall be payable on a Payment Date.

Section 2.05. **Repayment of the Principal.**

- (a) Subject to Section 2.07 (*Accelerated Repayment*) of this Agreement, the duration of the Loan shall be forty (40) years including a grace period of five (5) years (the "Grace Period") commencing on the Date of the Loan Agreement. During the Grace Period, the Service Charge and the Commitment Charge shall be payable.
- (b) The Loan shall be amortized over a period of thirty-five (35) years after the expiration of the Grace Period, at the rate of two point eight six per cent (2.86%) per annum, in equal and consecutive semi-annual instalments payable on a Payment Date. The first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period.

Section 2.06. **Currency of Payment.** All amounts due to the Fund under this Agreement shall be payable in the Disbursement Currency as provided in Section 3.04 (*Disbursement Currency*) of this Agreement or the Substitute Currency as applicable.

Section 2.07. **Accelerated Repayment**

- (a) Notwithstanding the provisions of Section 2.05 (*Repayment of the Principal*) of this Agreement, the Fund may modify the repayment of instalments of the Disbursed Loan Balance in accordance with paragraphs (b) and (c) of this Section whenever all of the following events have occurred:
  - (i) the Borrower's per capita gross national income, as determined by the Fund, has exceeded for more than two (2) consecutive years, the level established by the Fund for determining eligibility to access the Fund's resources;



- (ii) the Bank considers the Borrower creditworthy for borrowing from the Bank; and
  - (iii) after due consideration of the development of the Borrower's economy and other relevant factors, the Board of Directors of the Fund has reviewed and approved such modification.
- (b) The Fund shall, upon the occurrence of the events referred to in Section 2.07 (a) (*Accelerated Repayment*) of this Agreement, notify the Borrower of the same and :
  - (i) require the Borrower to repay twice the amount of each instalment of the Disbursed Loan Balance not yet due until the Loan has been fully repaid (the "Principal Option"); or
  - (ii) require the Borrower to increase the Service Charge applicable to the Disbursed Loan Balance to an annual rate agreed with the Fund that would, in the opinion of the Fund, result in the same level of concessionality as the Principal Option (the "Interest Option"); or
  - (iii) if the agreed applicable Service Charge under the Interest Option would be more than the fixed rate for a Bank sovereign-guaranteed loan:
    - 1. require the Borrower to repay an amount agreed with the Fund that is greater than the then applicable semi-annual instalment; and
    - 2. increase the Service Charge applicable to the Loan to an annual rate agreed with the Fund that is equal to that of the fixed rate for a similar Bank sovereign-guaranteed loan (the "Combination Option").
- (c) The Borrower shall, within two (2) months of receipt of the notice referred to in paragraph (b) of this Section, notify the Fund whether it elects the Principal Option, the Interest Option or, if applicable, the Combination Option. In the event that the Borrower does not respond within the two (2) month period, the Fund shall automatically apply the Principal Option.



- (d) The Borrower shall commence such modified repayment as of the first semi-annual Payment Date, falling not less than six (6) months after the date on which the Fund notifies the Borrower that the events specified in paragraph (a) of this Section have occurred; provided, however, that in no event shall the Borrower be required to commence such modified repayment prior to the Grace Period.
- (e) If, at any time after the repayment terms have been modified pursuant to paragraph (a) of this Section, the Fund determines that the Borrower's economic condition has deteriorated significantly, the Fund may, if so requested by the Borrower, further revise the terms of repayment of the Disbursed Loan Balance and/or the Service Charge to conform to the repayment terms originally provided for in this Agreement, taking into account any repayments already made by the Borrower.

Section 2.08. **Prepayment.** In the event that the Borrower graduates from being eligible to borrow only from the Fund, the Borrower may, but shall not be obligated to repay in advance of maturity, the Disbursed Loan Balance in one (1) lump sum on a date agreed upon between the parties. The Fund may, in its sole discretion, provide a discount on the Disbursed Loan Balance to be prepaid. The amount to be prepaid shall be applied in the following order: Commitment Charge, Service Charge, other charges and principal.

### **ARTICLE III**

#### **ENTRY INTO FORCE AND DISBURSEMENT**

Section 3.01. **Entry into Force.** The Loan Agreement shall enter into force upon fulfillment by the Borrower of the provisions of Section 12.01 (*Entry into Force*) of the General Conditions.

Section 3.02. **Disbursement.** The proceeds of the Loan shall be disbursed to the Borrower, in accordance with the provisions of (a) Article V (*Disbursement of the Loan*) of the General Conditions; (b) the Disbursement Handbook, as applicable; (c) the Disbursement Letter; (d) this Article III (*Entry into Force and Disbursement*); and (e) such additional instructions as the Fund may specify by notice to the Borrower, to finance the results areas under the Program, as measured against specific indicators (the "Disbursement-Linked Indicators" or "DLIs") as set forth in the DLI Matrix.



Section 3.03. **Deposit Account.** All disbursements shall be deposited by the Fund into the Consolidated Fund (Treasury Single Account (TSA)) at the National Bank of Rwanda.

Section 3.04. **Disbursement Currency.** The Disbursement Currency is the United States Dollar.

Section 3.05. **Conditions Precedent to First Disbursement.** In addition to the provisions of Section 3.01 (*Entry into Force*) of this Agreement, the obligation of the Fund to make the first disbursement of the Loan shall be subject to the satisfaction of the following conditions by the Borrower:

- (a) the execution and delivery of a Subsidiary Agreement between the Borrower and EDCL in form and substance satisfactory to the Fund;
- (b) submission of evidence that the Subsidiary Agreement has been duly authorised by the Borrower and EDCL and is legally binding upon the parties in accordance with its terms;
- (c) the execution and delivery of a Program Agreement between the Fund and EDCL, in form and substance satisfactory to the Fund;
- (d) submission of evidence in form and substance satisfactory to the Fund including the relevant Program Result Verification Report ("PRVR") indicating that the DLI(s) for which the disbursement is requested has / have been fully achieved or partially achieved (for DLIs for which partial disbursement is allowed as specified in the DLI Matrix) as required under the relevant DLI Verification Protocol. The PRVR submitted by the IVA under the Initial Loan Agreements may include the achievement of DLI(s) under this Loan Agreement provided that it clearly indicates the activities achieved under this Loan Agreement and is in a form and substance acceptable to the Fund ; and
- (e) submission of a letter from the Borrower's Ministry of Finance and Economic Planning confirming the acceptance by the OAG to verify the additional financing activities as further described in Schedule I (*Program Description*) to this Agreement with the OAG acceptance letter annexed to same.



Section 3.06. **Condition Precedent to all Subsequent Disbursements.** The obligation of the Fund to make subsequent disbursements of the Loan shall be subject to the submission by the Borrower of evidence in form and substance satisfactory to the Fund including the relevant PRVR indicating that the DLI(s) for which the disbursement is requested has / have been fully achieved or partially achieved (for DLI(s) for which partial disbursement is allowed as specified in the DLI Matrix) as required under the relevant DLI Verification Protocol. The PRVR submitted by the IVA under the Initial Loan Agreements may include the achievement of DLI(s) under this Loan Agreement provided that it clearly indicates the activities achieved under this Loan Agreement and is in a form and substance acceptable to the Fund.

Section 3.07. **Reconciliation.** If by the Closing Date, the total amount of Program Expenditure is less than the Disbursed Loan Balance, the Fund shall require the Borrower to refund, an amount equal to such shortfall, within six (6) months after the Closing Date. Any refunded Loan amounts shall be cancelled by the Fund upon receipt in accordance with Section 6.03 (*Cancellation by the Fund*) of the General Conditions.

Section 3.08. **DLI Achievement**

- (a) If the Fund is not satisfied that any one or more of the DLI(s) set forth in the DLI Matrix, has / have been achieved within the period the said DLI(s) is / are set to be achieved, and/ or the Allocated Amount(s) for the DLI(s) has / have not been fully disbursed, the Fund may in consultation with the Borrower :
  - (i) authorize the disbursement of an amount less than the Allocated Amount of the said DLI(s), which, in the opinion of the Fund, corresponds to the extent of achievement of said DLI(s) and / or;
  - (ii) withhold all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) for the said DLI(s) until such DLI(s) is / are, in the opinion of the Fund, satisfactorily met ; and /or
  - (iii) reallocate all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) of the said DLI(s) to any other DLI(s) and / or;



- (iv) cancel all or a portion of the proceeds of the Loan corresponding to the Allocated Amount(s) previously allocated to the said DLI(s).
- (b) The timelines indicated for disbursement set forth in the DLI Matrix, are indicative only and shall not restrict disbursement on account of any DLI targets achieved (i) ahead of the expected timeline, or (ii) later than the expected timeline, provided that the achievement of any DLI shall be no later than the Closing Date.

Section 3.09. **Closing Date.** For purposes of Section 6.03 (*Cancellation by the Fund*) of the General Conditions, the Closing Date shall be **31 March, 2022**, or such later date as shall be agreed upon in writing between the Borrower and the Fund.

#### **ARTICLE IV** **UNDERTAKINGS**

Section 4.01. The Borrower declares its commitment to: (a) the attainment of the Program objectives; (b) the implementation of key Program actions identified; (c) the strengthening of institutions, enhancement of country systems and capacity building; (d) the achievement of the DLIs for the Program and (e) sustaining the results achieved for the Program. To this end, the Borrower shall and shall cause the Executing Agencies and, their contractors and/or agents to carry out the Program, in accordance with:

- (i) the provisions of Article IX (*Project Implementation - Cooperation and Information*) of the General Conditions, this Agreement and the Program Agreement; and
- (ii) the financial management, environmental and social management systems acceptable to the Fund which are designed to ensure that :
  - (A) the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency and accountability; and



- (B) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized or mitigated, as the case may be, all through an informed decision-making process.

**Section 4.02. Institutional Arrangements**

- (a) The Borrower shall and shall cause MININFRA to maintain the Program Technical Unit ("PTU") to oversee the day-to-day implementation of the Program and facilitate the collection and collation of the evidence of the achievement of DLIs. The PTU shall comprise, amongst others, the following key specialists: (i) Coordinator, Electricity Access Rollout Program ("EARP") as Chairperson; (ii) REG Director of Planning as the Secretary; (iii) EDCL Director of Primary and Social Energies Department; (iv) EDCL Director of Energy Planning; (v) EUCL Director of Operations; (vi) EDCL Head of Procurement; (vii) REG Head of Monitoring & Evaluation ; (viii) REG Director of Human Resources, (ix) REG Chief Financial Officer and (x) EDCL, Director of Financial Management.
- (b) The Borrower shall and shall cause MININFRA to ensure that the PTU is assigned with the technical, social and environmental safeguards, fiduciary and other responsibilities for implementing the Program, as well as with powers, functions, institutional capacity and staffing acceptable to the Fund, and resources adequate to fulfill their respective functions under the Program.

**Section 4.03. Verification of Program Results.** The Borrower shall prior to each disbursement under the Program carry out in accordance with the Verification Protocol, an assessment to determine the extent to which the DLI(s) in respect of which disbursement is requested has / have been achieved. To this end, the Borrower shall:

- (a) ensure that the appointment of the Office of the Auditor General as the Independent Verification Agency is maintained until the completion of the Program, on terms of reference acceptable to the Fund, for the purpose of verifying the achievement of the DLIs and providing an opinion on the achievement of the DLIs, in accordance with the Verification Protocol as applicable;



- (b) furnish the Office of the Auditor General with adequate financial resources to cover the operational expenses for executing its responsibility as the Independent Verification Agency; and
- (c) cause the Office of the Auditor General to, not later than thirty (30) days, after the verification of achievement of said DLIs has been completed, prepare and furnish to the Borrower and the Borrower shall, in turn furnish to the Fund, a Program Result Verification Report, by no later than August 21 of each calendar year of Program implementation or such other period as may be agreed in writing between the Borrower and the Fund.

**Section 4.04. Operations Manual**

- (a) The Borrower shall carry out and cause the Executing Agencies to carry out, the Program in accordance with the Operations Manual as may be updated from time to time.
- (b) Notwithstanding the foregoing, if any provision of the said Operations Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.05. Program Action Plan.**

- (a) The Borrower shall carry out and cause the Executing Agencies to carry out, the Program Action Plan, in accordance with the schedule set out therein and in a manner satisfactory to the Fund.
- (b) The Borrower may not amend or permit to be amended, any provision of the Program Action Plan, without the prior written agreement of the Fund.
- (c) Notwithstanding the foregoing, if any provision of the said Program Action Plan is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.06. Subsidiary Agreement**

- (a) To facilitate the implementation of the Program, the Borrower shall make the proceeds of the Loan available to EDCL by a grant under a subsidiary agreement between the Borrower and EDCL (the "Subsidiary





Agreement”) under terms and conditions approved by the Fund, which shall include inter alia (i) the roles and responsibilities of EDCL with regard to the implementation of the Program; and (ii) the obligation of EDCL to comply with the reporting, financial management, technical, fiduciary, safeguards, monitoring and other relevant requirements applicable to the Program in accordance with the provisions of this Agreement.

- (b) The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interest of the Borrower and the Fund and to accomplish the purposes of the Loan. Except as the Fund shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.
- (c) Notwithstanding the foregoing, in the event of a conflict between the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

**Section 4.07. Environmental and Social Safeguards.**

The Borrower shall and shall cause the Executing Agencies, all their contractors, sub-contractors and agents to:

- (a) carry out the Program in accordance with the Strategic Environmental and Social Assessment (“SESA”), any other site specific Environmental and Social Management Plan (“ESMP”) which will be prepared, the Fund’s Safeguards Policies and the applicable national legislation, in a manner and in substance satisfactory to the Fund;
- (b) prepare and submit to the Fund, as part of the Program Report referred to in Section 7.01 (*Program Report*) of this Agreement, quarterly reports on the implementation of the ESMP and the Abbreviated Resettlement Action Plan (ARAP) including any implementation failures and related remedies thereof; and
- (c) refrain from taking any action which would prevent or interfere with the implementation of the SESA, and any ESMP to be prepared including any amendment, suspension, waiver, and/or voidance of any provision thereof,



whether in whole or in part, without the prior written concurrence of the Fund.

Section 4.08. **Integrity.** The Borrower shall, and shall cause the Executing Agencies, and all of their contractors or agents to, carry out the Program in accordance with the provisions of the Anti-Corruption Policies.

Section 4.09. **Excluded Activities.** The Borrower shall and shall cause the Executing Agencies to ensure that the activities under the Initial Loan Agreements and this Agreement excludes any activities which:

- (a) in the opinion of the Fund, are likely to have significant climate, environment and social impacts and / or are classified as Category one (1) under the Fund's Safeguards Policies; and / or;
- (b) involve the procurement of (i) works, turnkey, supply and installation contracts estimated to cost Fifty Million United States Dollars (USD 50,000,000) equivalent or more per contract; (ii) goods estimated to cost Thirty Million United States Dollars (USD 30,000,000) equivalent or more per contract; (iii) information technology systems and non-consulting services, estimated to cost Twenty Million United States Dollars (USD 20,000,000) equivalent or more per contract or (iv) consulting services estimated to cost Fifteen Million United States Dollars (USD 15,000,000) equivalent or more per contract; and / or
- (c) are listed in Schedule V (*Negative List*) to this Agreement.

## **ARTICLE V**

### **ADDITIONAL REMEDIES OF THE FUND**

Section 5.01. **Other Events of Suspension.** For the purpose of Section 6.02 (1) (k) (*Other Events of Suspension*) of the General Conditions, the other events of suspension of the Loan consists of the following:

- (a) The REG Legislation has been amended, suspended, repealed or waived or in the opinion of the Fund, the legal character, ownership or control of EDCL has changed from that prevailing as of the Date of the Loan Agreement, so as to materially and adversely affect the ability of EDCL to



perform any of its obligations arising under or entered into pursuant to the Loan Agreement, or to achieve the objectives of the Program;

- (b) Any action has been taken for the dissolution, disestablishment or suspension of operations of EDCL;
- (c) EDCL has failed to perform its obligations under the Subsidiary Agreement;
- (d) The Borrower has taken or permitted to be taken any action which would prevent or interfere with the performance by EDCL of its obligations under the Program Agreement;
- (e) The Borrower fails to refund any amounts notified by the Fund under Section 3.07 (*Reconciliation*) of this Agreement within six (6) months of notice thereof by the Fund; or
- (f) Any circumstance arising which in the opinion of the Fund interferes with or threatens to interfere with the successful completion of the Program or the accomplishment of its purposes.

Section 5.02. **Other Events of Cancellation.** In addition, to the events in Section 6.03 (*Cancellation by the Fund*) of the General Conditions, the other events of cancellation of the Loan consists of any event specified in Section 5.01 (*Other Events of Suspension*) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.

Section 5.03. **Other Events of Acceleration.** In addition to events in Section 7.01 (*Events of Acceleration*) of the General Conditions, the other events of acceleration of the Loan consist of any event specified in Section 5.01 (*Other Events of Suspension*) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.

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## **ARTICLE VI**

### **PROCUREMENT**

Section 6.01. **Procurement.** All Goods, Works, Non-Consulting Services and Consulting Services required for the Program and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of the Procurement Framework.

Section 6.02. **Definitions.** Unless the context otherwise requires, the capitalized terms used in this Article VI (*Procurement*) including those describing particular procurement methods or methods of review by the Fund of particular contracts, have the meanings ascribed to them in the Procurement Framework.

Section 6.03. **Use of the Borrower's Procurement System.**

- (a) **Eligibility.** The proceeds of the Loan shall be used for the procurement of Goods, Civil Works, Non-Consulting Services and Consulting Services satisfying the applicable country of origin requirements prescribed in the Law Governing Public Procurement No.62/2018 of 25/08/2018 (the "Borrower's Procurement System"), except that, the proceeds of the Loan shall not be used for the procurement of :
- (i) firms from a country or goods manufactured in a country excluded in compliance with the decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and/ or
  - (ii) firms sanctioned by the Fund in accordance with its Anti- Corruption Policies.
- (b) **Methods.** Each contract for Goods, Civil Works, Non-Consulting Services and Consulting Services required for the Program shall be procured in accordance with the Borrower's Procurement System using the relevant National Standard Bidding Documents or National Model Bidding Documents.



(c) **Procurement Oversight.**

- (i) The Borrower shall cause the Office of the Auditor General or a competitively recruited external auditor to carry out a procurement audit in accordance with the Borrower's Procurement System on an annual basis. The annual procurement audit report shall be submitted to the Fund no later than six (6) months after the end of each calendar year.
- (ii) The Fund may, in its sole discretion, require independent procurement audits or inspections to be undertaken by independent auditors appointed by the Fund. The costs of such independent audits or inspections shall be borne by the Fund.

**Section 6.04. Reports and Retention of Documents.**

- (a) The Borrower shall and shall cause the Executing Agencies to maintain and record all relevant information concerning the procurement activities undertaken for the Program and shall include said information in each Program Report to be submitted to the Fund on a quarterly basis in accordance with the provisions of Section 7.01 (*Program Report*) of this Agreement.
- (b) The Borrower shall and shall cause the Executing Agencies to retain copies of all contracts, invoices, bidding documents and evaluation reports for periodic review and inspection by the Fund in accordance with Section 9.09 (c) (*Accounts, Records and Audit*) of the General Conditions.

**ARTICLE VII**  
**PROGRAM REPORT**

Section 7.01. **Program Report.** The Borrower shall, and shall cause the Executing Agencies to monitor the progress of the Program and prepare Program Reports in accordance with the provisions of Section 9.09 (*Accounts, Records and Audit*) of the General Conditions and on the basis of indicators acceptable to the Fund. Each Program Report shall cover a period of one (1) calendar quarter and shall be furnished to the Fund no later than forty-five (45) days after the end of the period covered by such report.



Section 7.02. **Program Completion Report.** The Borrower shall prepare and submit to the Fund, a Program Completion Report, pursuant to Section 9.10 (*Completion Report*) of the General Conditions, no later than six (6) months after the end of the Program.

Section 7.03. **Disclosure.** The Fund may disclose the Program documents and any information related to the Program in accordance with the Bank Group Policy on Disclosure and Access to Information, in effect at the time of such disclosure.

## **ARTICLE VIII**

### **FINANCIAL MANAGEMENT**

Section 8.01. **Internal Control.** The Borrower shall maintain and cause the Executing Agencies to maintain proper records and procedures in accordance with the provisions of Section 9.09 (*Accounts, Records and Audit*) of the General Conditions.

Section 8.02. **Interim Financial Reporting.** Without limitations to the provisions of Article VIII, (*Financial Management*) of this Agreement, the Borrower shall prepare and furnish to the Fund quarterly financial reports for the Program no later than forty-five (45) days after the end of the respective quarter in form and substance satisfactory to the Fund.

Section 8.03. **Financial Audit.**

- (a) The Borrower shall cause each of REG, EDCL and EUCL to have, their respective financial statements for the Program, audited and certified in accordance with terms of reference acceptable to the Fund by the OAG or an independent external auditor acceptable to the Fund, and recruited with the involvement of OAG.
- (b) The audit of the financial statements in Section 8.03 (a) above shall cover a period of one (1) financial year except (i) the first audit, which may cover a period not exceeding eighteen (18) months after the date of first disbursement of the Loan, if such first disbursement occurs in the second half of the applicable financial year; and (ii) the final audit, which may cover a period not exceeding eighteen (18) months, if the Closing Date occurs within the first half of the applicable financial year.



- (c) The audited financial statements shall comprise inter alia (i) a complete set of financial statements of the applicable financial year together with the auditor's opinion on the said financial statements; and (ii) the management letter, and shall be furnished to the Fund no later than six (6) months after the end of the applicable financial year. The last annual audited financial statements at the end of the Program shall be submitted to the Fund no later than six (6) months after the Closing Date.
- (d) The Borrower shall submit its Audited Consolidated Financial Statement to the Fund, no later than nine (9) months after the end of the applicable financial year and the last Audited Consolidated Financial Statement shall be submitted not later than nine (9) months after the Closing Date or such other period as indicated in its relevant legislation.

#### **ARTICLE IX**

##### **AUTHORIZED REPRESENTATIVES, DATE, AND ADDRESSES**

Section 9.01. **Authorized Representatives.** The Minister responsible for Finance and Economic Planning or such other person as the Minister may designate in writing shall be the authorized representative for the purposes of Article XI (*Miscellaneous Provisions*) of the General Conditions.

Section 9.02. **Date of the Loan Agreement.** For all purposes of this Agreement, the date thereof shall be that appearing in the preamble hereof.



Section 9.03. **Addresses.** The following addresses are specified for the purposes of Article XI (*Miscellaneous Provisions*) of the General Conditions:

**For the Borrower:**

**Mail Address:**

Ministry of Finance and Economic Planning  
B. P. 158  
Kigali  
REPUBLIC OF RWANDA  
Tel: (250) 252 575 756  
Fax: (250) 252 577 581

**Attention:**

The Permanent Secretary  
and Secretary to the Treasury

**For the Fund:**

**Headquarters Mail Address:**

African Development Fund  
01 B.P. 1387  
Abidjan 01  
REPUBLIC OF COTE D'IVOIRE  
Tel: (225) 20.26.44.44

**Attention:**

Director, Power Systems Development (PESD)

**Country Office Mail Address:**

African Development Bank Group  
Boulevard de l'Umuganda  
Building Glory House, 3rd & 4th floors;  
Kacyiru Road  
P.O. Box 7329  
Kigali  
REPUBLIC OF RWANDA  
Tel: (+250) 252 504250  
Fax: (+250) 252 504298

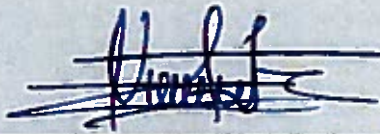
**Attention:**

Country Manager  
Rwanda Country Office (CORW)



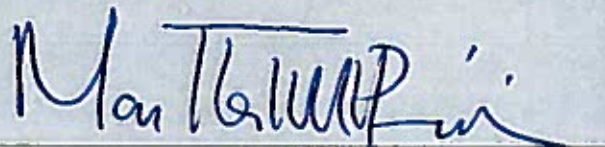
**IN WITNESS WHEREOF** the Borrower and the Fund, each acting through its authorized representative, have signed this Agreement in two (2) original counterparts in English on the date appearing in the opening sentence of this Agreement.

**FOR THE REPUBLIC OF RWANDA**



\_\_\_\_\_  
CLAUDINE UWERA  
MINISTER OF STATE IN CHARGE  
OF ECONOMIC PLANNING

**FOR AFRICAN DEVELOPMENT FUND**



\_\_\_\_\_  
MARTHA T. M. PHIRI  
COUNTRY MANAGER  
RWANDA COUNTRY OFFICE



**ATTESTED BY:** \_\_\_\_\_



\_\_\_\_\_  
VINCENT O. NMEHELLE  
SECRETARY GENERAL



**SCHEDULE I**  
**PROGRAM DESCRIPTION**

The objectives of the Program are to improve the power supply reliability, increase on-grid and off-grid access in Kigali city and in the Southern and Western provinces as well as enhance institutional capacity for effective implementation of the Government of Rwanda's electrification program.

The additional activities under the Program consist of the following:

**Results Area 2: Increase on-grid access for household and productive usages**

(i) Extension of 9.17km of MV and 10km of LV lines from the Gabiro switching station to the Ndama and Rwabiharamba villages in the district of Nyagatare District which will serve the Ndama health centre and the Rwabiharamba IDP Model village; (ii) Connection of 200 more SME customers; and (iii) Connection of 28,954 more new households.



**SCHEDULE II**  
**DISBURSEMENT LINKED INDICATORS MATRIX**

The following table specifies the Disbursement Linked Indicators, and the Allocated Amount to each DLI and the indicative time for the DLI's achievement and disbursement.

| DLIs  |   | Unit       | Total Additional Financing allocated to DLI | As of % of Additional Financing | DLI Baseline | FY 2019/2020 Target | FY 2020/2021 Target |
|---|---|------------|---|---------------------------------|--------------|---------------------|---------------------|
| Target date for disbursement  |   | UA million |   |                                 |              |                     |                     |
| <b>Results Area 2: Increase on-grid access for household and productive-use customers</b> |   |            |   |                                 |              |                     |                     |
| <b>DLI-2.1</b>  | Additional number of new household customers connected to the grid of which 52% are women | Number     |   |                                 | 0            | 11,582              | 17,372              |



|                     |   |                       |               |               |   |              |              |
|---------------------|---|-----------------------|---------------|---------------|---|--------------|--------------|
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 13.956        | 85.1%         |   | 5.582        | 8.374        |
| <b>DLI-<br/>2-2</b> | Additional number of<br>SME's customers<br>connected to the grid                              | <b>Number</b>         |               |               | 0 | 80           | 120          |
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 2.132         | 13.0%         |   | 0.853        | 1.279        |
| <b>DLI-<br/>2-3</b> | Additional length of<br>MV (30/15 kV)<br>distribution lines<br>constructed and/or<br>upgraded | <b>Number</b>         |               |               | 0 | 7.35         | 11.82        |
|                     | <b>Allocated Amount</b>   | <b>UA<br/>million</b> | 0.312         | 1.9%          |   | 0.125        | 0.187        |
|                     | <b>TOTAL</b>  | <b>UA<br/>million</b> | <b>16.400</b> | <b>100.0%</b> |   | <b>6.560</b> | <b>9.840</b> |



**SCHEDULE III**  
**DEFINITIONS**

1. **"Abbreviated Resettlement Action Plan" or "ARAP"** means the plan prepared by the Borrower and agreed with the Fund which addresses the potential environmental impacts of the Program and at the same time makes provision for the opportunity the Program offers to improve the socio-economic conditions of the affected population.
2. **"Allocated Amount"** means the amount allocated to each individual DLI, or determined for each DLI pursuant to the formula detailed in the DLI Matrix, as such amount might be increased, reallocated and / or cancelled (whether partially or in its entirety) by the Fund, from time to time as the case may be, in accordance with the provisions of this Agreement.
3. **"Anti-Corruption Policies"** means the Uniform Framework for Preventing and Combating Fraud and Corruption dated September 2006, the Whistle Blowing and Complaints Handling Policy dated January 2007, the Procurement Framework, the Cross-Debarment Agreement and the Sanctions Procedures of the African Development Bank Group issued November 18, 2014, as the same may be amended from time to time.
4. **"Bank"** means the African Development Bank.
5. **"Bank Group Policy on Disclosure and Access to Information"** means the policy dated 2 May 2012 concerning the disclosure and access to information within the Bank Group's possession concerning the Bank Group's operations, as the same may be amended from time to time.
6. **"Bank's Policy on Integrated Safeguards Systems"** means Bank Group Integrated Safeguards System including the Policy Statement, Operational Safeguards and Guidance Materials, as the same may be amended from time to time.
7. **"Cross-Debarment Agreement"** means the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010 and entered into, amongst the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and



Development, the Inter-American Development Bank Group and the World Bank Group, as the same may be amended from time to time.

8. **"Completion Report"** means a comprehensive report on the execution and the initial operation of the Program, including the costs and benefits derived and to be derived therefrom, the performance by the parties' of their respective obligations under the Agreement, the accomplishment of the purposes of the Loan and the plan designed to ensure the sustainability of the Program achievements, amongst others, to be prepared and submitted by the Borrower to the Fund in accordance with the terms of this Agreement.
9. **"Disbursed Loan Balance"** means the principal amount of the Loan disbursed to the Borrower and outstanding from time to time.
10. **"Disbursement Handbook"** means the Disbursement Handbook of the African Development Bank Group dated 22 July 2012 setting out the disbursement policies, guidelines, practices, and procedures of the Bank Group, as the same may be amended from time to time.
11. **"Disbursement Linked Indicator" or "DLI"** means each of the disbursement-linked indicators set forth in the DLI Matrix.
12. **"DLI Matrix"** means the table set forth in Schedule II (*Disbursement Linked Indicators Matrix*) of this Agreement.
13. **"Energy Development Corporation Limited" or "EDCL"** means Energy Development Corporation Limited, registered as a private company limited by shares in the Republic of Rwanda with company code 103372620 which is responsible for energy development activities.
14. **"Energy Utility Corporation Limited" or "EUCL"** means Energy Utility Corporation Limited, registered as a private company limited by shares in the Republic of Rwanda with company code 103372638 which is responsible for utility services delivery.
15. **"Environmental and Social Impact Assessment" or "ESIA"** means a tool to identify and assess the likely environmental and social impacts of the Program, to determine their magnitude and significance, and to define





management or mitigation measures designed to avoid and minimize where possible, or if not, to offset or compensate for adverse impacts and risks.

16. **“Environmental and Social Management Plan”** or **“ESMP”** means an instrument developed as the outcome of an ESIA of the Program that sets out the action plan of environmental and social management measures to be implemented by the Borrower, as the same may be amended, supplemented or updated from time to time in concurrence with the Fund.
17. **“Fund’s Safeguards Policies”** means the policies, procedures and guidelines of the Fund that concern environmental and social matters including, the Bank Group Integrated Safeguards System, the Involuntary Resettlement Policy, the Environmental and Social Assessment Procedures, the Bank Group Policy for Disclosure and Access to Information, the Bank Group Policy on Poverty Reduction, the Gender Policy, as the same may be amended and revised from time to time.
18. **“MINEGOFIN”** means the Ministry of Finance and Economic Planning of the Republic of Rwanda.
19. **“MININFRA”** means the Ministry of Infrastructure of the Republic of Rwanda.
20. **“Office of Auditor General”** or **“OAG”** means the Borrower’s Office of the Auditor General, or any successor agency thereto satisfactory to the Fund.
21. **“Operations Manual”** means the manuals which prescribe the institutional, administrative, technical and operational guidelines and procedures for the implementation of the Program including: (i) detailed safeguards (environmental and social management system guidelines) (ii) financial management (including funds flow and budgeting) (iii) procurement arrangements; and (iv) a monitoring and verification system for the Program, as the same may be amended or updated from time to time.
22. **“Program Action Plan”** means the Borrower’s plan dated 11 September 2018 and referred to in Section 4.05 (*Program Action Plan*) of this



Agreement, as the same may be amended or updated from time to time in concurrence with the Fund.

23. **“Program Agreement”** means the agreement between the Fund and EDCL setting forth their obligations with respect to the implementation of the Program.
24. **Program Expenditure”** means the total expenditures incurred by the Borrower under the Program during its fiscal year.
25. **“Program Report”** means the report prepared by the Borrower pursuant to this Agreement containing Program information that includes amongst others, sources and uses of funds including those committed, with the corresponding budgets, progress on Program implementation made in the achievement of the results as well as progress on compliance with the environmental and social safeguards requirements including the implementation of the ESMP, (where applicable) together with other supporting schedules and highlighting issues that require attention.
26. **“Program Result Verification Report”** means the report prepared by the Independent Verification Agency in accordance with the Verification Protocol which *inter alia*, confirms and authenticates the achievement of the results area and the Disbursement Linked Indicators for which a disbursement is requested.
27. **“REG Legislation”** means the Prime Minister’s Order No. 87/03 of 16/08/2014 *Determining Modalities of Transfer of Responsibilities and Property of Energy, Water and Sanitation Authority* (EWSA) which transfers the energy assets of the EWSA to the Rwanda Energy Group and its two subsidiaries EDCL and EUCL.
28. **“Rwanda Energy Group Limited”** or **“REG”** means the Rwanda Energy Group Limited which is incorporated as a private company limited by shares in the Republic of Rwanda with company code 103370521.
29. **“Subsidiary Agreement”** the Subsidiary Agreement between the Borrower and EDCL.



30. **"Substitute Currency"** means the substitute currency selected under Section 4.04 (*Temporary Currency Substitution*) of the General Conditions.
31. **"Undisbursed Loan Balance"** means the amount of the Loan remaining undisbursed from the Loan Account from time to time.
32. **"Verification Protocol"** means the protocol for evaluating and verifying the achievement of the DLIs prepared by the Borrower in form and substance satisfactory to the Fund.



**SCHEDULE IV**  
**MODIFICATIONS TO THE GENERAL CONDITIONS**

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program".
2. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
3. In the Section 2.01, *Definitions*, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the term "*Special Commitment*" and "*Categories of Expenditure*" are deleted in their entirety.
4. Section 5.02, *Special Commitment by the Fund*, is deleted in its entirety, and the subsequent Sections in Article V (*Disbursement of the Loan*) are renumbered accordingly.
5. In Section 5.02 (originally numbered as Section 5.03), the heading "*Requests for Disbursement or for Special Commitment*" is replaced with "*Requests for Disbursement*", and the phrase "*or requests the Fund to enter into a Special Commitment*" is deleted.
6. Paragraph (b) of Section 5.04 (originally numbered as Section 5.05), *Reallocation and Loan Savings* is modified to read: "*The re-allocation of the Loan funds from one results area to another, or within the same results area, shall not, however be made if such reallocation would, in the opinion of the Fund, (i) compromise the execution of the Program, or (ii) substantially modify the nature or objectives of the Program.*"
7. Section 6.01(a), *Cancellation by the Borrower*, is modified to read: "*The Borrower may, by notice to and after consultation with the Fund, cancel the whole or part of the Loan which has not been disbursed.*"



8. Paragraph (d) of Section 6.03, *Cancellation by the Fund*, entitled "Misprocurement", is deleted, and subsequent paragraphs are re-lettered accordingly.
9. Section 6.04, *Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Fund*, is deleted in its entirety, and subsequent Sections in Article VI and references to such Sections are renumbered accordingly.





**SCHEDULE V**  
**NEGATIVE LIST**

1. Production of, or trade in, any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
2. Production of, or trade in, radioactive materials, with the exception of medical materials and quality-control equipment for which the Fund considers the radioactive source to be trivial and adequately shielded.
3. Production of, or trade in, or use of, unbonded asbestos fibres or other products with bonded asbestos as dominant material.
4. Production of, or trade in, pharmaceuticals, chemical compounds and other harmful substances subject to international phase-outs or bans, including pesticides classified by the World Health Organization as Class Ia (extremely hazardous), Ib (highly hazardous) or II (moderately hazardous).
5. Production of, or trade in, ozone-depleting substances subject to international phase out.
6. Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
7. Purchase of logging equipment for use in unmanaged primary tropical rainforests.
8. Production or activities involving harmful or exploitative forms of forced labour<sup>1</sup> and/or harmful child labour<sup>2</sup> as defined by national regulations and international standards.

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<sup>1</sup> Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.



9. Goods and services supplied under a contract which any national or international financing institution or agency other than the Fund has financed or agreed to finance, or which the Fund has financed or agreed to finance under another grant or loan.
10. Goods intended for military and/or paramilitary purposes.
11. Alcoholic beverages.
12. Un-manufactured tobacco, tobacco refuse, manufactured tobacco (whether or not containing tobacco substitutes) and tobacco processing machinery.
13. Platinum, pearls, precious and semi-precious stones, silver, gold and related products.
14. Nuclear reactors and parts thereof, non-irradiated fuel elements (cartridges) for nuclear reactors.
15. Goods for luxury consumption.

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<sup>2</sup> Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

Bibonywe kugira ngo bishyirwe ku mugereka w'Iteka rya Perezida n° 117/01 ryo ku wa 06/11/2019 ryemeza burundu Amasezerano y'inguzanyo y'inyongera hagati ya Repubulika y'u Rwanda n'Ikigega Nyafurika Gitsura Amajyambere, yerekeranye n'inguzanyo y'inyongera ingana na miliyoni cumi n'esheshatu n'ibihumbi magana ane bya *Units of Account* (16.400.000 UA), agenewe Gahunda ya II yo kongera uburyo bwo kwegereza abaturage amashanyarazi (SEAP II), yashyiriweho umukono i Kigali, mu Rwanda, ku wa 12 Kamena 2019

Kigali, ku wa 06/11/2019

(Sé)

**KAGAME Paul**  
Perezida wa Repubulika

(Sé)

**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)

**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Seen to be annexed to the Presidential Order n° 117/01 of 06/11/2019 ratifying the Additional Financing Loan Agreement between the Republic of Rwanda and the African Development Fund, relating to the additional loan of sixteen million four hundred thousand Units of Account (UA 16,400,000), for Scaling up Electricity Access Program II (SEAP II), signed in Kigali, Rwanda, on 12 June 2019

Kigali, on 06/11/2019

(Sé)

**KAGAME Paul**  
President of the Republic

(Sé)

**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)

**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Vu pour être annexé à l'Arrêté Présidentiel n° 117/01 du 06/11/2019 ratifiant l'Accord de financement additionnel de prêt entre la République du Rwanda et le Fonds Africain de Développement, relatif au prêt additionnel de seize millions quatre cent mille Unités de Compte (16.400.000 UC), pour le Second Programme d'Amélioration de l'Accès à l'Electricité (SEAP II), signé à Kigali, au Rwanda, le 12 juin 2019

Kigali, le 06/11/2019

(Sé)

**KAGAME Paul**  
Président de la République

(Sé)

**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)

**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux



**ITEKA RYA PEREZIDA N° 118/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUNINZI, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EBYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS), AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA-ICYICIRO CYA I, YASHYIRIWEHO UMUKONO I ROMA, MU BUTALIYANI, KU WA 22 KAMENA 2019**

**PRESIDENTIAL ORDER N° 118/01 OF 06/11/2019. RATIFYING THE FINANCING AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000), FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT-PHASE I, SIGNED IN ROME, ITALY, ON 22 JUNE 2019**

**ARRÊTÉ PRÉSIDENTIEL N° 118/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS), POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA-PHASE I, SIGNÉ À ROME, EN ITALIE, LE 22 JUIN 2019**

## **ISHAKIRO**

**Ingingo ya mbere: Kwemeza burundu**

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

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**Article 2: Autorités chargées de l'exécution du présent arrêté**

**Article 3: Entrée en vigueur**

**ITEKA RYA PEREZIDA N° 118/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUNINZI, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS) AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA-ICYICIRO CYA I, YASHYIRIWEHO UMUKONO I ROMA, MU BUTALIYANI, KU WA 22 KAMENA 2019**

**Twebwe, KAGAME Paul,**  
Perezida wa Repubulika;

Dushingiye ku Itegeko Nshinga rya Repubulika y'u Rwanda ryo mu 2003 ryavuguruwe mu 2015, cyane cyane mu ngingo zaryo, iya 112, iya 120, iya 122, iya 167, iya 168, n'ya 176;

Dushingiye ku Itegeko n° 031/2019 ryo ku wa 07/10/2019 ryemera kwemeza burundu Amasezerano y'inguzanyo yashyiriweho umukono i Roma, mu Butaliyani, ku wa 22 Kamena 2019, hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ebiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS), agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza-Icyiciro cya I;

**PRESIDENTIAL ORDER N° 118/01 OF 06/11/2019 RATIFYING THE FINANCING AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000), FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT-PHASE I, SIGNED IN ROME, ITALY, ON 22 JUNE 2019**

**We, KAGAME Paul,**  
President of the Republic;

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 112, 120, 122, 167, 168 and 176;

Pursuant to Law n° 031/2019 of 07/10/2019. approving the ratification of the Financing Agreement signed in Rome, Italy, on 22 June 2019, between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000), for Kayonga Irrigation and Integrated Watershed Management Project-Phase I;

**ARRÊTÉ PRÉSIDENTIEL N° 118/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS), POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA-PHASE I, SIGNÉ À ROME, EN ITALIE, LE 22 JUIN 2019**

**Nous, KAGAME Paul,**  
Président de la République;

Vu la Constitution de la République du Rwanda de 2003 révisée en 2015, spécialement en ses articles 112, 120, 122, 167, 168 et 176;

Vu la Loi n° 031/2019 du 07/10/2019 approuvant la ratification de l'Accord de financement signé à Rome, en Italie, le 22 juin 2019, entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS), pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase I;



Tumaze kubona Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ebiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS), agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza-Icyiciro cya I, yashyiriweho umukono i Roma, mu Butaliyani, ku wa 22 Kamena 2019;

Bisabwe na Minisitiri w'Imari n'Igenamigambi;

Inama y'Abaminisitiri imaze kubisuzuma no kubyemeza;

**TWATEGETSE KANDI DUTEGETSE:**

**Ingingo ya mbere: Kwemeza burundu**

Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ebiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS) agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza-Icyiciro cya I, yashyiriweho umukono i Roma, mu Butaliyani, ku wa 22 Kamena 2019, ari ku mugereka w'iri teka, yemejwe burundu kandi atangiye gukurikizwa uko yakabaye.

Considering the Financing Agreement 2019 between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000), for Kayonga irrigation and integrated watershed management project- Phase I, signed in Rome, Italy, on 22 June;

On proposal by the Minister of Finance and Economic Planning;

After consideration and approval by the Cabinet;

**HAVE ORDERED AND ORDER:**

**Article One: Ratification**

The Financing Agreement between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000) for Kayonga Irrigation and Integrated Watershed Management Project-Phase I, signed in Rome, Italy, on 22 June 2019, annexed to this Order, is ratified and becomes fully effective.

Considérant l'Accord de financement entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS), pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase I, signé à Rome, en Italie, le 22 juin 2019;

Sur proposition du Ministre des Finances et de la Planification Économique;

Après examen et adoption par le Conseil des Ministres;

**AVONS ARRÊTÉ ET ARRÊTONS:**

**Article premier: Ratification**

L'Accord de financement, entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS) pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase I, signé à Rome, en Italie, le 22 juin 2019, annexé au présent arrêté, est ratifié et sort son plein et entier effet.

**Ingingo ya 2: Abashinzwe gushyira mu bikorwa iri teka**

Minisitiri w'Intebe, Minisitiri w'Imari n'Igenamigambi, Minisitiri w'Ububanyi n'Amahanga n'Ubutwererane na Minisitiri w'Ubuhanzi n'Ubworozi bashinzwe gushyira mu bikorwa iri teka.

**Ingingo ya 3: Igihe iri teka ritangirira gukurikizwa**

Iri teka ritangira gukurikizwa ku munsu ritangarijweho mu Igazeti ya Leta ya Repubulika y'u Rwanda.

Kigali, ku wa 06/11/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

**Article 2: Authorities responsible for the implementation of this Order**

The Prime Minister, the Minister of Finance and Economic Planning, the Minister of Foreign Affairs and International Cooperation and the Minister of Agriculture and Animal Resources are entrusted with the implementation of this Order.

**Article 3: Commencement**

This Order comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 06/11/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

**Article 2: Autorités chargées de l'exécution du présent arrêté**

Le Premier Ministre, le Ministre des Finances et de la Planification Économique, le Ministre des Affaires Étrangères et de la Coopération Internationale et le Ministre l'Agriculture et des Ressources Animales sont chargés de l'exécution du présent arrêté.

**Article 3: Entrée en vigueur**

Le présent arrêté entre en vigueur le jour de sa publication au Journal Officiel de la République du Rwanda.

Kigali, le 06/11/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux



**UMUGEREKA W'ITEKA RYA PEREZIDA N° 118/01 RYO KU WA 06/11/2019 RYEMEZA BURUNDU AMASEZERANO Y'INGUZANYO HAGATI YA REPUBULIKA Y'U RWANDA N'IKIGEGA MPUZAMAHANGA KIGAMIJE GUTEZA IMBERE UBUHINZI, YEREKERANYE N'INGUZANYO INGANA NA MILIYONI CUMI N'EYIRI N'IBIHUMBI MAGANA INANI NA MIRONGO ITANU Z'AMADETESI (12.850.000 DTS), AGENEWE UMUSHINGA WO KUHIRA NO GUCUNGA NEZA IBISHANGA BYA KAYONZA-ICYICIRO CYA I, YASHYIRIWEHO UMUKONO I ROMA, MU BUTALIYANI, KU WA 22 KAMENA 2019**

**ANNEX TO PRESIDENTIAL ORDER N° 118/01 OF 06/11/2019 RATIFYING THE FINANCING AGREEMENT BETWEEN THE REPUBLIC OF RWANDA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, RELATING TO THE LOAN OF TWELVE MILLION EIGHT HUNDRED FIFTY THOUSAND SPECIAL DRAWING RIGHTS (SDR 12,850,000), FOR KAYONZA IRRIGATION AND INTEGRATED WATERSHED MANAGEMENT PROJECT-PHASE I, SIGNED IN ROME, ITALY, ON 22 JUNE 2019**

**ANNEXE À L'ARRÊTÉ PRÉSIDENTIEL N° 118/01 DU 06/11/2019 RATIFIANT L'ACCORD DE FINANCEMENT, ENTRE LA RÉPUBLIQUE DU RWANDA ET LE FONDS INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE, RELATIF AU PRÊT DE DOUZE MILLIONS HUIT CENT CINQUANTE MILLE DROITS DE TIRAGE SPECIAUX (12.850.000 DTS), POUR LE PROJET D'IRRIGATION ET DE GESTION INTEGRÉE DES BASSINS VERSANTS DE KAYONZA-PHASE I, SIGNÉ À ROME, EN ITALIE, LE 22 JUIN 2019**

LOAN NO. 2000002900

## FINANCING AGREEMENT

*Kayonza Irrigation and Integrated Watershed Management Project (KIIWP)*

between the

**THE REPUBLIC OF RWANDA**

and the

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

Signed in Rome, Italy

On 22 June 2019



## **FINANCING AGREEMENT**

Loan No: 2000002900

Project name: Kayonza Irrigation and Integrated Watershed Management Project ("the Project" or "KIIWP")

The Republic of Rwanda (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested financing from the Fund for the purpose of financing the KIIWP;

WHEREAS, the Project shall be implemented in two phases;

WHEREAS, the Fund has agreed to provide a loan for the Project to finance the activities described in Schedule 1 to this Agreement ("Phase I" of the Project or "KIIWP1");

NOW THEREFORE, the Parties hereby agree as follows:

### **Section A**

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), the Special Covenants (Schedule 3) and the General Conditions for Agricultural Development Financing dated 29 April 2009, as amended on December 2018, and as may be amended hereafter from time to time (the "General Conditions"). In the event of a conflict between this document and any of the Schedules, the provisions of this document shall take precedence.

2. All provisions of the General Conditions shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties otherwise agree in this Agreement.

3. The Fund shall provide a Loan (the "Financing") to the Borrower which the Borrower shall use to implement the KIIWP1 in accordance with the terms and conditions of this Agreement.

4. For the purpose of this Agreement:

"Phase I" or "KIIWP1" means the first phase of the Project, which corresponds to the period commencing on the date of entry into force of this Agreement and ending approximately 30 months later or on the Project completion date;

"Project completion date" means the date for completion of activities financed under KIIWP1;

"Phase II" or "KIIWP2" means the second phase of the Project as will be approved by the IFAD Executive Board;

"Phase Review" means the Phase Review described in Section C.4;

"Trigger Indicators" means the set of indicators directly linked to the results of the KIIWP1 which shall be the basis of review and shall need to be fulfilled to seek approval of Loan funds to implement the KIIWP2, as described in Section III paragraph 12 of Schedule 1.

## **Section B**

1. The amount of the Loan is twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12 850 000).
2. The Loan is granted on Highly Concessional Terms, and shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board. The principal is to be repaid at 4.5 per cent of the total principal per annum for years eleven (11) to thirty (30), and 1 per cent of the total principal per annum for years thirty first (31) to forty (40).
3. The Loan Service Payment Currency shall be the US Dollar.
4. The first day of the applicable Fiscal Year shall be 1 July.
5. Payments of principal and service charge shall be payable on each 1 April and 1 October.
6. There shall be one Designated Account in USD, for the exclusive use of the Project opened in the National Bank of Rwanda. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. There shall be one Project Operations Account in Rwandan francs (RWF) opened by the Lead Project Agency in the National Bank of Rwanda.
8. The Borrower shall provide counterpart financing for the Project in an amount equivalent to approximately five million, four hundred and sixteen thousand US Dollars (USD 5 416 000) to cover taxes for the Project and feasibility studies for the Ndego Pumping Irrigation scheme.

## **Section C**

1. The Lead Project Agency shall be the Rwanda Agriculture and Animal Resources Development Board (RAB) under the Ministry of Agriculture and Animal Resources (MINAGRI) of the Borrower.
2. The following are designated as additional Project Parties: Local Administrative Entities Development Agencies (LODA), Rwanda Youth in Agribusiness Forum (RYAF) and any other parties deemed necessary by the Lead Project Agency.
3. The Project Completion Date shall be approximately thirty (30) months after the date of entry into force of this Agreement or such other date as the Fund may designate by notice to the Borrower and the Financing Closing Date will be established as specified in the General Conditions. The Agreement shall enter into force on the date of receipt by the Fund of the instrument of ratification.
4. *Phase Review.* The Fund shall carry out a review of KIIWP1 implementation once the feasibility studies and Environmental and Social Impact Assessments (ESIAs) will be



finalized. Among other things, the Phase Review shall consider the successful achievement of Trigger Indicators indicated in Schedule 1 Section III paragraph 12, and make recommendations for moving to Phase 2. The findings of the Phase Review shall be the basis upon which the Fund shall decide whether to submit Phase 2 for approval of the IFAD Executive Board. The Borrower shall ensure that, should the Fund decide that the Project shall continue to the Phase II, the recommendations resulting from the Phase Review are implemented within the specified time therefor and to the satisfaction of the Fund.

#### **Section D**

The Loan will be administered and the Project supervised by IFAD.

#### **Section E**

1. The following are designated as additional grounds for suspension of the right of the Borrower to request disbursements:

- (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of IFAD and IFAD, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project; and
- (b) The Project Manager or other key Project staff (Heads of Financial Management, Procurement and M&E officer) have been removed from the Project without the prior consultation with the Fund.

2. The following are designated as additional general conditions precedent to withdrawal:

- (a) The IFAD no objection to the final version of the PIM shall have been obtained;
- (b) The Project steering committee (PSC) shall have been established; and
- (c) The KIIWP1 Project Manager and key Project staff shall have been appointed as per Schedule 1 of this Agreement.

3. This Agreement is subject to ratification by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

**For the Borrower:**

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

**For the Fund:**

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

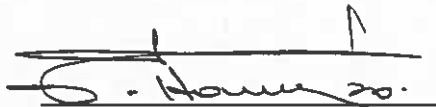
This Agreement, dated 22 June 2019, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower and shall enter into force as provided for in Section 13.01 of the General Conditions.

REPUBLIC OF RWANDA



Gerardine Mukeshimana  
Minister of Agriculture and Animal Resources

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT



Gilbert F. Hounoubo  
President



## **Schedule 1**

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target population.* KIIWP's direct target groups will comprise about 50,000 poor and food insecure rural households (HH) representing 225,000 persons who belong to the poorest *Ubudehe* categories 1, 2 and 3.

2. *Project area.* The Project area comprises the eight drought-prone sectors of the District of Kayonza in the Eastern Province of Rwanda. These sectors, namely Gahini, Kabare, Kabarando, Murama, Murundi, Mwiri, Ndego and Rwinkwavu are relatively hot, with limited rainfalls - averaging 900 mm per year - compared to the rest of the country, but have good potential for irrigation.

3. *Goal.* KIIWP's Development Goal is to 'Contribute to poverty reduction in the drought prone Eastern Province of Rwanda'. The Development Objective is to 'Improve food security and incomes of 50,000 rural households on a sustainable basis' and build their climate resilience. KIIWP will improve the resilience of smallholder farmers to droughts and effects of climate change through increased levels of production and productivity of selected food and cash crops, livestock and improved market access and business development.

4. *Objectives.* The main expected outcomes and outputs of the Project include (i) improved access to land, forests, water and water bodies for production purposes; (ii) increased acreage of farmland under water-related infrastructure; (iii) increased acreage of farmland under climate resilient management and practices; (iv) increased capacity of smallholder farmers and local government to sustainably manage natural resources and climate-related risks; (v) enhanced use by farmers, including youth, of technologies, equipment and infrastructure adapted to smallholder agriculture; and (vi) increased farmers' economic benefits from market participation and increased sales.

5. *Components of KIIWP1.* KIIWP1 will revolve around (i) the catchment rehabilitation and protection of areas where rainfed agriculture is practised; (ii) the provision of water for livestock and domestic purpose in the most drought-prone sectors of Kayonza; (iii) the preparation of the feasibility studies and Environmental and Social Impact Assessments (ESIAs) for large irrigation schemes; and (iv) the formation and capacity building of sub-catchment committees, Water for Livestock User Organizations (WLUOs), district and scheme committees.

KIIWP1 will consist of two components: A) strengthening resilience to droughts, and B) institutional development and project coordination.

#### **Component A: Strengthening resilience to droughts**

For KIIWP1, this component will cover the catchment rehabilitation and protection in rainfed areas; all preparatory activities for the irrigation development; the urgently required infrastructure for livestock and domestic purposes; and to be done under KIIWP2.

Sub-component A.1: Catchment Rehabilitation and Protection. This sub-component will support investments in catchment rehabilitation through the following investments: (a) sub-catchment planning; (b) land husbandry in rainfed areas; and (c) construction of boreholes and valley tanks to supply water for livestock and domestic use. Specific ESIAs and Environmental and Social Management Plans (ESMPs) will be developed for each interventions under this subcomponent.

Sub-component A.2: Irrigation Development. Feasibility Studies (FS) and ESIA for Irrigation Schemes will be undertaken for four potential irrigation schemes in Kayonza District, namely:

- (a) Ndego Sector Irrigation Scheme Kibare (400 hectares), Humure (600 hectares) and Byimana (400 hectares).
- (b) Kabare Sector Irrigation Scheme, with a potential net area of 600 hectares to be irrigated at Gakoma.
- (c) Kanyeganyenge Dam and Irrigation Scheme with a potential command area of 150 hectares at Kabarondo.
- (d) Gishanda Dam and Irrigation Scheme with a potential command area of 125 hectares at Kabare, to benefit over 400 households.

The results of the ESIAs and the FS will determine the exact location of the interventions which may include areas outside the above identified sectors and District boundaries.

Irrigation schemes that are identified to be environmentally, socially, technically and financially viable will be developed under KIIWP2. Specific ESMPs for activities under KIIWP1 will be prepared during implementation as part of the feasibility studies and ESIAs, as the location of the sites are identified and prepared.

Sub-component A.3: Infrastructure management institutions. Formation and strengthening management committees: In order to ensure long-term sustainability, KIIWP1 will support the institutional development of management committees that will be responsible for coordinating the planning and implementation of activities in the catchment plans.

Capacity building will take place, covering three key areas: (i) governance; (ii) technical water management (operation and maintenance); and (iii) monitoring and exchange of experiences. The capacity building will be based on a participatory Farmer Field School approach. Some key features of the institutions are:

- *Scheme and District Steering Committees.* As per Ministerial Instructions the project will support the establishment and strengthening of Scheme and District-level Steering Committees to support and oversee the functioning of the Water User Organizations (WUOs) and ensure optimal use of developed land at irrigation scheme and District level.
- *Sub-Catchment management committees.* In line with the national policy, KIIWP1 will support the setting-up and strengthening of sub-catchment management committees in each watershed. These committees will put in place regulations on use, conservation, protection and management of water resources.

KIIWP1 will start with establishing the exact boundaries of the different catchments and sub-catchments in Kayonza District through Geographic Information System (GIS) mapping.

KIIWP1 will support the preparation of sub-catchment management plans, involving the sub-catchment committees in order to ensure water resources protection and conservation by all in an integrated approach.

- *Water for Livestock Users Organisations* will be established, and existing ones strengthened, to ensure the management and sustainability of boreholes and valley tanks.



Sub-component A.4: Implementation of Environmental and Social Management Plans. Under this subcomponent, environmental and social management plans as identified by the ESIA's will be implemented.

## **Component B: Institutional development and Project coordination**

This component is designed to strengthen government agencies to deliver Project outputs and to support policy dialogue and institutional development that will sustain Project interventions beyond Project completion of both phases.

Sub-component B.1: Support to policy dialogue and enabling institutional environment. KIIWP1 will strengthen institutions that can directly or indirectly support the implementation and provide policy supports that are needed for the effective implementation of the Project. Key activities and interventions foreseen under this sub-component include the below activities:

- Capacity building interventions will be identified for KIIWP staff under the Single Project Implementation Unit (SPIU).
- Gender and youth mainstreaming. Poverty and gender and youth studies will be conducted at baseline and in the third year. Initial studies will be used by RAB in connection with the SPIU to strengthen the targeting strategy and prepare a brief gender and youth action plan for KIIWP1.
- Support for policy dialogue will be provided through an evaluation of implementation and impact of new or existing policies related to the Project activities with relevant national, and district level stakeholders. Support for water management policies will be through the implementation of the recently enacted policies and legislation including Ministerial Instructions on Land Development, Conservation and Exploitation of Developed Land for the formation and registration of WLUOs and district and steering committees. In addition, KIIWP1 will strive to raise specific policy discussion points meant to address identified bottlenecks in Rwanda's agricultural sector, such as:
  - (a) Support to national policy on contract farming, making use of the tools developed through the implementation of the Legal Guide on Contract Farming developed by UNIDROIT, FAO and IFAD;
  - (b) Analyze the factors affecting rice value chain that makes Rwandan rice less competitive with regional products;
  - (c) Current issues of availability and quality of seeds, including multiplication.

Sub-component B.2: Project management and coordination. The objective of this sub-component is to provide the coordination arrangements, including the financial and human resources that are needed for the implementation of the Project.

## **II. Implementation Arrangements**

6. *Lead Project Agency.* The Lead Project Agency will be the RAB, under the auspices of MINAGRI. RAB Director General (DG) will consequently become the Chief Budget Manager (CBM) of the Project, together with Rwanda Dairy Development Project (RDDP) and Climate Resilient Post-Harvest and Agribusiness Support Project (PASP) that were transferred under it.

7. *Single Project Implementation Units (SPIU).* The SPIU will be responsible for overall Project implementation in consultation with other relevant national agencies and ministries to ensure consistency with national policies. The SPIU established at national

level will be composed of Project staff either seconded or recruited, and will be headed by the SPIU Coordinator. The SPIU will be accountable to the RAB Director General who will be the executive level head responsible for the strategic direction of the Project. The SPIU will be responsible for Project coordination and management of fiduciary issues in conformity with the standards and requirements agreed upon between Borrower and IFAD.

The SPIU coordinator in place will also oversee and coordinate KIIWP activities that will be implemented at both the central and district level. In addition to the existing SPIU staff performing cross-cutting functions of finance/accounting, monitoring and evaluation (M&E), procurement and administration, KIIWP staff will be recruited to support its implementation. The proposed KIIWP staff positions include: a Project Manager, an accountant, an M&E officer in charge also of gender and youth, an irrigation specialist, an electromechanical engineer, a civil engineer, an environmental and climate specialist, a safeguards compliance specialist, and a procurement officer.

8. *Project Steering Committee.* A Project Steering Committee will be established, chaired by the Permanent Secretary (PS), MINAGRI, or his/her nominee, and co-chaired by RAB DG, RAB Head of Corporate Services and representatives from ministries and institutions with direct relevancy to the achievement of KIIWP's goal and development objective including Ministry of Finance and Economic Planning (MINECOFIN).

The PSC will provide strategic guidance towards the achievement of Project objectives and contribute to the higher level sector policy and strategic goals. The PSC will also be responsible for review and approval of Annual Work Plan and Budgets (AWPBs) and annual reports.

9. *District-level Project Coordination Unit (PCU).* At the District level, day to day management of KIIWP1 will be implemented by a District-level Project Coordination Unit (PCU) within the District of Kayonza. The PCU will be the main executing agency of KIIWP1 at the district level. The following additional staff are proposed to supplement district capacity to provide public services: an accountant for initiating KIIWP transactions at district, a WUO/WLUO specialist, a land husbandry (soil and water conservation) engineer, a cooperative development officer, a horticulture specialist and an irrigation technician.

The Parties shall agree at Project start –up on the modalities and scope of District level activities and these will be reflected in the AWPB and in the PIM.

10. *Project Implementation Manual.* The Borrower will finalize the development of the Project Implementation Manual (PIM) for the Fund's consideration and approval. The PIM will include, inter alia, a comprehensive financial management section, will provide more details on roles and responsibilities of Project and implementing parties, the establishment of a grievance redress mechanism and include internal audit requirements. As KIIWP will be implemented in two phases, the revision of PIM is set as one of the conditions to proceed to the second phase. The PIM will be amended to incorporate the findings of KIIWP1, subject to approval by the Fund.

### **III. Project Phasing**

11. *Phases.* The Project shall be implemented in two phases over a six years period. Phase I is estimated to have a duration of 2.5 years and Phase II a duration of 3.5 years. A Phase Review shall analyse the specific minimum indicators that shall be used as triggers for the confirmation, by the Fund, of funding for, and the subsequent detailed design of, the Phase 2 of the Project.



KIIWP1 will be devoted to the necessary preparatory works, ahead of the large irrigation infrastructure activities and farm business development support that will take place during KIIWP2 once the FS and ESIAAs are completed and the irrigation schemes validated. Feasibilities studies and ESIAAs are expected to be ready by December 2020. Some activities initiated in KIIWP1, like the capacity building of district & scheme committees, sub-catchment committees and WLUOs might be continued based on their status and strength assessed towards the end of KIIWP1.

The activities expected to take place in KIIWP2 will be fine-tuned according to the results of the FS and ESIAAs to be produced and disclosed in accordance with the national environmental regulations and Social, Environmental and Climate Assessment Procedures (SECAP) guidelines.

12. *Trigger Indicators.* During the Phase Review, the following specific minimum indicators ("Trigger Indicators") shall be reviewed and shall be the basis upon which the Fund shall decide whether to submit Phase 2 for approval of the IFAD Executive Board:

- (a) FSs identify irrigation schemes that are financially, economically, environmentally and socially viable and sustainable.
- (b) Third party satisfactory review of FSs, ESIAAs and Resettlement Action Plans (RAPs).
- (c) ESIAAs and RAPs are disclosed at local community level, national and IFAD website for a minimum 120 days.
- (d) Provision of a budget and commitment by the Government of Rwanda to implement the RAP and other ESMP activities identified by the ESIAAs.
- (e) Revision of the Project Design Report (PDR) and PIM to incorporate the findings of KIIWP1.

13. *Phase II - KIIWP2.* The anticipated components and activities in KIIWP2 comprise:

- (a) Strengthening resilience to droughts: this component will promote climate smart agriculture for irrigated and rain-fed lands through Farmer Field Schools. It will include investment on water harvesting and storage, irrigation infrastructure development and marshland development. This component will also include the promotion of good nutritional practices and the Gender Action Learning System.
- (b) Support to farm business development: this component will assist farmers to take advantage of the investments made under the component on strengthening resilience to droughts by strengthening their organizational and entrepreneurial skills and improving their backward and forward linkages to access input, service and output markets.
- (c) Institutional development and project coordination: this component will continue supporting the project as described under KIIWP1.

Building up on KIIWP1, KIIWP2 will continue to focus on strengthening resilience to droughts as the first component (Component A). Potential irrigation development will comprise the Ndego Irrigation Scheme (net 1,400 hectares), Kibare Irrigation Scheme (net 600 hectares), Kanyeganyeye Irrigation Scheme (net 150 hectares + dam), and Gishynda Irrigation Scheme (net 125 hectares + dam). Depending on the findings from KIIWP1 FS, other irrigation schemes will be developed in place of the above, if they are found to be unviable.

**Schedule 2***Allocation Table*

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

| Category  | Loan Amount Allocated<br>(expressed in SDR ) | Allocation net of tax<br>and other financiers'<br>contribution,<br>including Government |
|---|--|---|
| I. Goods  | 1 750 000                                    | 100%  |
| II. Works                                       | 2 970 000                                    | 100%  |
| III. Consultancies & non-consulting<br>services | 5 120 000                                    | 100%  |
| IV. Training & Workshops                        | 560 000                                      | 100%  |
| V. Salaries & Allowances                        | 1 030 000                                    | -   |
| VI. Operating Costs                             | 140 000                                      | 100%  |
| Unallocated                                     | 1 280 000                                    |   |
| <b>TOTAL</b>                                    | <b>12 850 000</b>                            |   |

(b) The terms used in the Table above are defined as follows:

- (i) "Goods" includes Equipment, Materials and Vehicles
- (ii) "Works" includes land husbandry and related materials and inputs
- (iii) "Consultancies" includes non-consulting services

2. *Disbursement arrangements.*

(a) *Start-up Advance.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 150 000, limited to categories I (excluding Vehicles) and III. Activities to be financed by Start-up Advance will require the no objection from IFAD to be considered eligible.

(b) *Procurement arrangements:* The procurement of goods, works and services under the Project shall be conducted in accordance with the provisions of IFAD's Project Procurement Guidelines and Procurement Handbook as well as with the operational procedures and any other measures identified by IFAD.



### Schedule 3

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Parties shall carry out an assessment of the alignment of the Integrated Financial Management Information System (IFMIS) to IFAD's financing reporting requirements and the Borrower shall commit to carrying out any necessary customization as required.

2. *Planning, Monitoring and Evaluation.* The monitoring and evaluation of environmental indicators will be further refined on the basis of the finding of the ESIA's and Feasibility Studies. The ESIA's shall include feasible and cost-effective measures to maximise opportunities and prevent or reduce significant negative impacts.

The following will be the key elements of the M&E system for KIIWP1: (i) an M&E manual detailing scope, organisation and contents of the M&E system; roles and responsibilities; how data (sex- and age-disaggregated where appropriate) will be collected, analysed, reported, used and otherwise managed; timeline for M&E-related activities; staffing and capacity building plan; budget; etc.; (ii) annual M&E plans; (iii) project results chain, results framework and log frame; (iv) management information system; (v) baseline and completion surveys; (vi) mid-term review; (vii) annual outcome surveys; (viii) continuous progress monitoring of activities and outputs; (ix) risk assessment; (x) thematic studies, e.g. on targeting, gender, youth, formation of WLUOs, etc.; (xi) IFAD ORMS reporting; and (xii) field visits and joint implementation reviews.

3. *Gender.* A Gender, Targeting and Community Mobilisation Officer has been appointed in the MINAGRI SPIU to coordinate the implementation of the gender and targeting strategies.

4. *Compliance with the Social Environmental and Climate Assessment Procedures (SECAP).* The Borrower shall ensure that the Project will be implemented in compliance with IFAD's SECAP and more specifically that the following measures shall be taken: (a) all Project activities are implemented in strict conformity with the Borrower relevant laws/regulations; (b) proposals for civil works include confirmation that no involuntary land acquisition or resettlement is required under the Project. In the event of unforeseen land acquisition or involuntary resettlement under the Project, the Borrower shall immediately inform the Fund and prepare the necessary planning documents; (c) women and men shall be paid equal remuneration for work of equal value under the Project; (d) recourse to child labour is not made under the Project; (e) the measures included in the Gender Action Plan prepared for the Project are undertaken, and the resources needed for their implementation are made available, in a timely manner; and (f) all necessary and appropriate measures to implement the Gender Action Plan to ensure that women can participate and benefit equitably under the Project are duly taken.

The Project will be coordinated through an Environmental and Social Management Framework (ESMF) to examine the risks and impacts of the proposed activities including potential environmental and social vulnerabilities. The ESMF summarizes a grievance redress mechanism to receive and facilitate resolutions of complaints from Project affected parties. The ESMF specifies the environmental and social management

requirements (including labour and working conditions, grievance redress system, health and safety).

To mitigate any adverse environmental and social impacts of the project, all watershed management schemes with a command area exceeding 100 ha will be subjected to an ESIA before funds are released for the specific investments.

5. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, taking appropriate action to prevent, mitigate and combat Prohibited Practices.
6. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:
  - (a) all vehicles and other equipment procured under the Component A of KIIWP1 are allocated to the SPIU and other Implementing Agencies for Project implementation;
  - (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
  - (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.



Bibonywe kugira ngo bishyirwe ku mugereka w'Iteka rya Perezida n° 118/01 ryo ku wa 06/11/2019 ryemeza burundu Amasezerano y'inguzanyo hagati ya Repubulika y'u Rwanda n'Ikigega Mpuzamahanga Kigamije Guteza Imbere Ubuhinzi, yerekeranye n'inguzanyo ingana na miliyoni cumi n'ebiri n'ibihumbi magana inani na mirongo itanu z'Amadetsi (12.850.000 DTS), agenewe umushinga wo kuhira no gucunga neza ibishanga bya Kayonza-Icyiciro cya I, yashyiriweho umukono i Roma, mu Butaliyani, ku wa 22 Kamena 2019

Kigali, ku wa 06/11/2019

(Sé)  
**KAGAME Paul**  
Perezida wa Repubulika

(Sé)  
**Dr NGIRENTE Edouard**  
Minisitiri w'Intebe

**Bibonywe kandi bishyizweho Ikirango cya Repubulika:**

(Sé)  
**BUSINGYE Johnston**  
Minisitiri w'Ubutabera/Intumwa Nkuru ya Leta

Seen to be annexed to the Presidential Order n° 118/01 of 06/11/2019 ratifying the Financing Agreement between the Republic of Rwanda and the International Agricultural Development Fund, relating to the loan of twelve million eight hundred fifty thousand Special Drawing Rights (SDR 12,850,000), for Kayonga Irrigation and Integrated Watershed Management Project-Phase I, signed in Rome, Italy, on 22 June 2019

Kigali, on 06/11/2019

(Sé)  
**KAGAME Paul**  
President of the Republic

(Sé)  
**Dr NGIRENTE Edouard**  
Prime Minister

**Seen and sealed with the Seal of the Republic:**

(Sé)  
**BUSINGYE Johnston**  
Minister of Justice/Attorney General

Vu pour être annexé à l'Arrêté Présidentiel n° 118/01 du 06/11/2019 ratifiant l'Accord de financement, entre la République du Rwanda et le Fonds International de Développement Agricole, relatif au prêt de douze millions huit cent cinquante mille Droits de Tirage Spéciaux (12.850.000 DTS), pour le projet d'irrigation et de gestion intégrée des bassins versants de Kayonza-Phase I, signé à Rome, en Italie, le 22 juin 2019

Kigali, le 06/11/2019

(Sé)  
**KAGAME Paul**  
Président de la République

(Sé)  
**Dr NGIRENTE Edouard**  
Premier Ministre

**Vu et scellé du Sceau de la République:**

(Sé)  
**BUSINGYE Johnston**  
Ministre de la Justice/Garde des Sceaux