Agreement Providing for the Amendment and Restatement of the Financing Agreement

(Feeder Roads Development Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated December 7, 2017, entered into between REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

WHEREAS (A) under an agreement, dated April 3, 2014, as amended, between the Recipient and the Association ("Original Financing Agreement"), the Association agreed to provide the Recipient with a credit ("Original Credit") in an amount equivalent to twenty-nine million four hundred thousand Special Drawing Rights (SDR 29,400,000) to assist in financing the project described in Schedule 1 to the Original Financing Agreement;

(B) under an agreement, between the Recipient and the Association ("Grant Agreement"), the Association agreed to provide the Recipient with an additional grant ("Additional Grant") in an amount equivalent to sixty-eight million Dollars ($68,000,000) in support of scaling up activities related to the Original Project, as described in Schedule 1 to the Grant Agreement;

WHEREAS the Recipient has, further to its letter No. 7601/10/17/CE, dated July 19, 2017, informed the Association that the Government has decided that implementation, management and monitoring of projects and programs have been transferred to implementing agencies to allow ministries to fully play their role of policy making and requested to transfer the implementation of the Project from MINAGRI to RTDA.

WHEREAS, the Recipient has also requested, further to its letter No. 7601/10/17/CE, dated July 19, 2017, to extend the Closing Date of the Original Credit and scale up the implementation of activities under Part A of the Project to cover ten Districts.

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, with effect from the Effective Date of this Agreement, to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty-nine million four hundred thousand Special Drawing Rights (SDR 29,400,000) (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 IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are February 15 and August 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 cause the Project to be carried out by RTDA (“Project Implementing Entity”) in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — ADDITIONAL REMEDIES

4.01. The Additional Events of Suspension consist of the following:

(a) the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement; and,
(b) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

4.02 The Additional Events of Acceleration consist of the following:

(a) the event specified in paragraph (a) of Section 4.01 of this Agreement occurs; and,

(b) the event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after the notice of the event has been given by the Association to the Recipient.

ARTICLE V- EFFECTIVENESS; TERMINATION

5.01. This Agreement shall not become effective until evidence satisfactory to the Association has been furnished to the Association that the conditions specified below have been satisfied.

(a) The Subsidiary Agreement referred to in Section I.A of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Project Implementing Entity and all conditions precedent to its effectiveness, save for the effectiveness of this Agreement have been met; and,

(b) the Staff Transition Agreement has been executed, in a form and manner satisfactory to the Association.

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

5.03. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01 The Recipient’s Representative is its minister responsible for finance.

6.02. The Recipient’s Address is:
Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Rwanda

Facsimile:
250-252-57-75-81

6.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at December 7, 2017, as of the day and year first above written.

REPUBLIC OF RWANDA

By

Authorized Representative

CLAUVER GATEE
MINISTER
Date: December 7, 2017

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

[Signature]

Name: Yasser El-Gamal
Role: Country Manager
Date: December 7, 2017
SCHEDULE 1

Project Description

The objective of the Project is to enhance all season road connectivity to agricultural market centers in Selected Districts.

The Project consists of the following parts:

Part A: Rehabilitation, Upgrading and Maintenance of Indicative Feeder Roads

1. Rehabilitating, upgrading and maintenance of indicative feeder roads in Karongi and Nyamasheke Districts.
2. Rehabilitating and upgrading of indicative feeder roads in Rwanagana and Gisagara Districts.
3. Maintenance of indicative feeder roads in Rwanagana and Gisagara Districts.
4. Rehabilitating and upgrading of indicative feeder roads in Gatsibo and Nyagatare Districts.
5. Rehabilitating, upgrading and maintenance of indicative feeder roads in Nyabihu, Nyaruguru, Rutsiro and Gakenke Districts.

Part B: Strategy Development for Rural Access and Transport Mobility Improvement and Institutional Development Support

1. Preparation of a national feeder roads development strategy and program.
2. Preparation of District business plans for feeder roads development and transport services improvement.
3. Building capacity of Selected Districts in rural feeder roads management, including through the provision of technical assistance to support District staff in Project implementation and strengthening public entities involved in rural feeder roads management.
4. Strengthening the capacity of RTDA in feeder roads development, maintenance, planning and monitoring, including, inter alia, on landslide resilience and hazards warning and road safety.
5. Providing office space to RTDA, field inspection and office equipment to RTDA and Selected Districts.
6. Preparing follow-up feeder roads investment operations including carrying out design and feasibility studies on indicative feeder roads, and preparation of associated environmental and social safeguard instruments.

7. Training and organization of local community associations from the road side rural population to undertake road maintenance.

Part C: Project Management Support.

1. Providing technical assistance for environmental, social, technical and financial audits.

2. Support to the monitoring and evaluation of the project.

3. Financing of Operating Costs.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the obligation of the Project Implementing Entity to:

(a) implement the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds, other than the Recipient, the Safeguard Instruments, and in accordance with the provisions of this Agreement;

(b) (i) procure all goods, works and services required under the Project and to be financed out of the proceeds of the Financing in accordance with this Agreement; and (ii) ensure that all such goods, works and services are used exclusively for the purposes of the Project;

(c) ensure that all facilities relevant to the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;

(d) with respect to records management: (i) maintain records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Financing and disclose their use in said parts; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions;

(e) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the Association, the progress of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient and the Association, integrating the results of such
monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project and to achieve its objective, each such report to cover a calendar semester; (iii) furnish each such report to the Recipient and the Association within forty-five (45) days after the end of such period; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the Association shall reasonably request, on the execution of the Project, and furnish the same to the Recipient and the Association not later than six (6) months after the end of the Project;

(f) with respect to financial management: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; (ii) avail the records pertaining to said parts to external and internal auditors; (iii) prepare interim unaudited financial reports covering each semester, and furnish them to the Recipient and the Association not later than forty-five (45) days after the end of the period covered by such reports, and provide such other information concerning such unaudited financial statements as the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by independent auditors and applying standards both acceptable to the Association at least once in each fiscal year; and,

(g) enable the Recipient and the Association to inspect the Project, their operations and any relevant records and documents.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Institutional Arrangements

RTDA

1. The RTDA shall be responsible for overall Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and environmental and social safeguards.
Project Steering Committee

2. The Recipient shall maintain, throughout Project implementation, a steering committee with terms of reference satisfactory to the Association and with adequate composition and resources to carry out its responsibilities under the Project.

3. The Steering Committee shall provide policy and strategic guidance to the Project.

Single Project Implementation Unit

4. The Recipient shall cause RTDA to, throughout Project implementation: (a) maintain, within RTDA, the Single Project Implementation Unit (SPIU) comprising the SPIU Coordinator who shall head said Unit, and any such other technical specialists as may be agreed with the Association, all with terms of reference, qualifications and experience satisfactory to the Association; (b) make available to the Association, the annual performance assessment of the SPIU individual consultants; and (c) ensure that the SPIU has adequate resources to carry out its responsibilities under the Project.

5. The SPIU shall be responsible for day-to-day Project management and implementation including financial management, procurement and monitoring and evaluation.

District Project Management Team

6. The Recipient shall cause RTDA to, throughout Project implementation, ensure that a District Project Management Team is maintained in each Selected District with terms of reference and staffing acceptable to the Association.

7. The District Project Management Team shall be responsible for District-level Project implementation.

C. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall cause RTDA to: (a) carry out the Project in accordance with a Project implementation manual (Project Implementation Manual) containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, corruption and fraud mitigation measures and such other arrangements and procedures as shall be required for the Project; and (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.
2. In case of a conflict between the provisions of the Project Implementation Manual and this Agreement, those of this Agreement shall prevail.

Annual Work Plan and Budget

3. The Recipient shall cause RTDA to, not later than May 31 of each year, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.

4. The Recipient shall cause RTDA to exchange views with the Association on each such proposed annual work plan and budget, and thereafter carry out such program of activities for such following Fiscal Year, as shall have been agreed with the Association.

District Implementation Agreements

5. To facilitate the implementation of the Project at the District level, the Recipient shall cause RTDA to, not later than six (6) months after the Effective Date, enter into implementation agreements with each Selected District detailing mutual responsibilities for the implementation of the Project and detailing other terms and conditions as may be approved by the Association ("District Implementation Agreement"), such terms and conditions to include the obligation of said Selected District to: (i) carry out its activities under the Project with due diligence and efficiency and in accordance with this Agreement, the Subsidiary Agreement, the Project Implementation Manual and the Anti-Corruption Guidelines; (ii) maintain policies and procedures adequate to enable it to monitor the progress of its activities under the Project and the achievement of the Project’s objectives; (iii) enable the Recipient, RTDA and the Association to inspect the Project activities within the Selected District’s jurisdiction, its operation and any relevant records and documents; and (iv) prepare and furnish to the Recipient, RTDA and the Association all such information as the Recipient, RTDA or the Association may reasonably request relating to the foregoing.

6. The Recipient shall cause RTDA to exercise its rights and perform its obligations under each District Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall cause RTDA not to assign, amend, abrogate or waive any District Implementation Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Instruments. To this end, the Recipient shall ensure that the following actions are taken by RTDA, in a prompt manner acceptable to the Association:

   (a) If any Project activity would, pursuant to the ESMF: (i) require the carrying out of an ESIA, the Recipient shall ensure that the ESIA for such activity is (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for its prior review and written approval; and (B) disclosed and consulted upon, in a form and manner acceptable to the Association; and (ii) require the preparation of an ESMP, the Recipient shall ensure that such ESMP is (A) prepared in accordance with the ESMF and furnished to the Association for its review and approval; and (B) disclosed and consulted upon, in a manner acceptable to the Association.

   (b) If any Project activity would, pursuant to the RPF require the preparation of a RAP, the Recipient shall ensure that: (i) such RAP is prepared in accordance with the RPF and furnished to the Association for its prior review and written approval; (ii) such RAP is disclosed and consulted upon, in a manner acceptable to the Association; and (iii) no civil works under said activity shall be commenced until all measures required to be taken under said RAP, including but not limited prior payment of full compensation to all Project Displaced Persons, shall have been taken in a form and manner acceptable to the Association.

   (c) Each contract for works to be carried out under the Project in the Nyaruguru NRFR2 and Kibeho-Mata-Ruramba roads include a stipulation, satisfactory to the Association, requiring the contractor to follow and apply a procedure for identifying and managing any physical cultural resources encountered unexpectedly during Project implementation and which ensures compliance with the Recipient's relevant requirements of its legislation.

2. Without limitation to its other reporting obligations under this Agreement (including the General Conditions which form an integral part of this Agreement), the Recipient shall cause RTDA to:

   (a) include in the Project Reports referred to in Section II, Part A of this Schedule, and promptly in a separate report where the circumstances warrant, adequate information on the implementation of the Safeguard Instruments, giving details of:
(i) measures taken in furtherance of such Safeguard Instruments;
(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and,
(iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and

(b) afford the Association a reasonable opportunity to exchange views with the Recipient and/or RTDA on such Project Reports.

3. The Recipient shall cause RTDA to ensure that:
(a) all terms of reference for all studies or other technical assistance to be carried out under the Project are consistent with and pay due attention to the Safeguard Instruments and to the Recipient’s own laws relating to the environment and social aspects; (b) in drafting any manuals under the Project, due attention is given to the Safeguard Instruments; and (c) to this end, the Recipient shall, prior to undertaking each study included in the Project: (i) prepare and furnish the terms of reference for such study to the Association for its review; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on said terms of reference; and (iii) promptly finalize such terms of reference as shall have been approved by the Association.

4. The Recipient shall cause RTDA to maintain, and publicize the availability of, grievance redress mechanisms to hear and determine fairly and in good faith, all complaints raised in relation to the implementation of the Project by Project affected persons, and take all measures necessary to implement the determinations made under such grievance redress mechanisms in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of one semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association</td>
</tr>
<tr>
<td>(f) Procurement from UNOPS</td>
</tr>
<tr>
<td>(g) Community Participation procedures which have been found acceptable to the Association and set out in the Project Implementation Manual</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection of firms</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

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

A. **General**

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods (including vehicles), works, non-consulting services,</td>
<td>28,800,000</td>
<td>Such percentage as agreed to among the Recipient and the Association, as per the Agreed Annual Work Plan</td>
</tr>
<tr>
<td>consultants' services, Training and Operating Costs for the Project,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>except for Parts A.3 and A.6.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>600,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>29,400,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2022.

Section V. Other Undertakings

1. The Recipient shall cause RTDA to prepare and furnish to the Association, on or before May 31 in each year, or such other date as may be agreed with the Association, a proposed cash flow based maintenance plan for such year, detailing the maintenance works under Parts A(3) and A(6) of the Project proposed to be carried out by the Recipient during each quarter of the year and the projected costs associated therewith; and thereafter adopt such cash flow based maintenance plan for such year, taking into account the comments of the Association thereon ("Cash Flow Maintenance Plan") provided, however, that the Cash Flow Maintenance
Plan for the year during which this Agreement becomes effective shall be submitted within thirty (30) days of the Effective Date of the Agreement.

2. For purposes of the Project, the Recipient shall maintain at all times during Project implementation, in Rwandan Francs, in its national bank, a separate account under terms and conditions acceptable to the Association ("Counterpart Fund Account"), to be managed by RTDA, into which it shall deposit, at the beginning of each semester, funds in amounts necessary to meet the cost of carrying out Parts A (3) and A (6) the Project and any resettlement activities, as set forth in the Cash Flow Maintenance Plan.

3. The Recipient shall deposit into the Counterpart Fund Account, not later than ninety (90) days after the Effective Date of this Agreement, an initial advance for purposes of carrying out Parts A (3) and A (6) of the Project and any resettlement activities, as detailed in the Cash Flow Maintenance Plan, and shall thereafter replenish the Counterpart Fund Account taking into account the balance of funds in the account and projected expenditures, at the beginning of each semester, with such amounts as shall be sufficient to cover the cost of carrying out the Project and any resettlement activities during said semester, all as detailed in the Cash Flow Maintenance Plan.

4. The Recipient shall ensure that funds deposited into the Counterpart Fund Account shall be used exclusively to finance expenditures under the Project and any resettlement activities under Parts A (3) and A (6) of the Project.

5. For purposes of implementing Parts A (3) and A (6) of the Project, the Recipient shall cause RTDA to enter into multi-year maintenance contracts, in form and substance satisfactory to the Association, with contractors whose qualifications, experience, and terms of reference shall be satisfactory to the Association.
**SCHEDULE 3**

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing August 15, 2024 to and including February 15, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing August 15 , 2034 to and including February 15, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. "Agreed Annual Work Plan" means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.C.3. of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.


3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. "Displaced Person" means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in his or her: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.


7. "District Project Management Team" means the District's team responsible for Project implementation in each Selected District, and comprising the infrastructure officer as coordinator and officers from procurement, finance, planning, agricultural and environment units of the District administration.

8. "ESIA" means an Environmental and Social Impact Assessment, acceptable to the Association, prepared by the Recipient pursuant to the ESMF identifying and assessing the potential environmental impacts of proposed project activities, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures; and "ESIAs" means, collectively, all such assessments.

9. "ESIA for Nyaruguru District" means Recipient’s environmental and social impact assessment, acceptable to the Association, dated December 2016, and disclosed in country on March 10, 2017 and at the Association Infoshop on March 13, 2017,
conducted for identifying and assessing the potential environmental impacts of Project activities in the Nyaruguru District, evaluating alternatives, and designing appropriate related mitigation, management, and monitoring measures.

10. “ESIA for Nyagatare District” means Recipient’s environmental and social impact assessment, acceptable to the Association, dated December 2016, and disclosed in country on March 10, 2017 and at the Association Infoshop on March 13, 2017, conducted for identifying and assessing the potential environmental impacts of Project activities in the Nyagatare District, evaluating alternatives, and designing appropriate related mitigation, management, and monitoring measures.

11. “Environmental and Social Management Framework” or “ESMF” means the updated Recipient’s Environmental and Social Management Framework, dated February 2017, and disclosed in country on March 2, 2017 and at the Association Infoshop on March 16, 2017 defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities.

12. “ESMP” means an Environmental and Social management Plan, acceptable to the Association, prepared by the Recipient pursuant to the ESMF setting out the measures to be taken during Project implementation to eliminate, or offset the adverse environmental and social impacts of Project activities; and “ESMPs” means, collectively, all such plans.

13. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.

14. “District Implementation Agreement” means with respect to each Selected District, the agreement acceptable to the Association to be entered into between RTDA and said Selected District, in accordance with the provisions of Section I.C.5. of Schedule 2 to this Agreement and the Project Agreement.


16. “Operating Costs” means the incremental expenses incurred by the RTDA on account of Project implementation, management, and monitoring, including expenses for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of contractual and temporary Project staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service or permanent staff of RDTA.

17. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the
letter agreement signed on behalf of the Association on July 9, 2013 and on behalf of the Recipient on July 25, 2013 (Project Preparation Advance No. Q853-0-RW).

18. “Project Implementation Manual” means the Project Implementation Manual in form and substance acceptable to the Association, updated and adopted by the Recipient on November 1, 2017, referenced in Section I.C. of Schedule 2 to this Agreement, as the same may be amended in accordance with the provisions of said Section.


20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 8, 2017, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. “Project Steering Committee” means a committee established for purposes of the Project and referred to in Section I.B (2) of Schedule 2 to this Agreement.

22. “Resettlement Action Plan” or “RAP” means the Recipient’s document, acceptable to the Association, prepared and disclosed in accordance with the Resettlement Policy Framework, which, **inter alia**: (i) contains a census survey of Displaced Persons and valuation of assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures, and “RAPs” means, collectively, all such plans.

23. “RAP for the Nyaruguru District” means the Recipient’s resettlement action plan for the Project activities to be carried out in the Nyaruguru District, dated February 2017, prepared in accordance with the Resettlement Policy Framework and disclosed in country on March 29, 2017 and at the Association Infoshop on April 3, 2017, which, **inter alia**: (i) contains a census survey of Displaced Persons and valuation of assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.

24. “RAP for the Nyagatare District” means the Recipient’s resettlement action plan for the Project activities to be carried out in the Nyagatare District, dated February 2017, prepared in accordance with the Resettlement Policy Framework and
disclosed in country on March 29, 2017 and at the Association Infoshop on April 3, 2017, which, _inter alia_: (i) contains a census survey of Displaced Persons and valuation of assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.

25. "RPF" means the Recipient’s Resettlement Policy Framework acceptable to the Association, dated February 2017, disclosed in the territory of the Recipient on March 2, 2017 and at the Association’s Infoshop on March 13, 2017, in form and substance satisfactory to the Association, setting out guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.

26. “Rwanda Transport Development Agency” or “RTDA” means a semi-autonomous road agency, established and operating pursuant to the Recipient’s Law No 02/2010 of January 20, 2010, as said Law may be amended from time to time, or the legal successor thereto.

27. “Safeguard Instruments” means the ESMF, RPF, ESIs, ESMPs, RAPs, ESIA for Nyagatare District, ESIA for Nyaruguru District, RAP for Nyagatare District and RAP for Nyaruguru District.


29. “Single Project Implementation Unit” or “SPIU” means a department of the Recipient within RTDA responsible for assisting RTDA in the implementation of the Project.

30. “SPIU Coordinator” means the team leader appointed by the RTDA, with qualifications and experience acceptable to the Association, who shall be responsible for the overall management of the SPIU and for the implementation of the Project at national level.

31. “Staff Transition Agreement” means the agreement between the Recipient, through MINAGRI, and RTDA, which sets out the details of the transfer of the SPIU staff between MINAGRI and RTDA.

32. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs of securing the services of trainers, rental of training facilities, preparation
and reproduction of training materials and other costs directly related to course preparation and implementation.

33. "United Nations Office for Procurement Services" or "UNOPS" means an agency of the United Nations established in 1974 to expand the capacity of the United Nations system and its partners to implement peace building, humanitarian and development operations that matter for people in need.