Financing Agreement

(Transport Sector Development Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 5, 2007
FINANCING AGREEMENT

AGREEMENT dated October 5, 2007, entered into between REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS the Recipient has requested the Association, acting as administrator of the Africa Catalytic Growth Fund, to provide assistance towards the financing of the Project, and by the agreement of even date herewith between the Recipient and the Association, the Association has agreed to provide such assistance in an aggregate principal amount equivalent to $38,000,000;

The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

1.02. Unless the context requires otherwise, the capitalized terms used in 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 grant in an amount equivalent to seven million three hundred thousand Special Drawing Rights (SDR 7,300,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
2.04 The Payment Dates are May 15 and November 15 in each year.

2.05 The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01 The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the Ministry of Infrastructure in accordance with the provisions of Article IV of the General Conditions.

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01 The Additional Event of Suspension consists of the following:

A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

4.02 The Additional Event of Acceleration consists of the following:

The event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01 The Additional Conditions of Effectiveness consist of the following:

(a) The Project Implementation Manual, in form and substance satisfactory to the Association, has been adopted by the Recipient.

(b) A financial management system in form and substance satisfactory to the Association has been established by the Recipient in each of the following entities: (i) Road Maintenance Fund; and (ii) Transport Projects and Programs Management Unit.
(c) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the minister at the time responsible for finance.

6.02. The Recipient’s Address is:

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

Cable: MINFIN-RWANDA
Telex: 22687
Facsimile: (250) 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.
AGREEED at Kigali, Rwanda, as of the day and year first above written.

REPUBLIC OF RWANDA

By /s/ James Musoni
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Victoria Kwakwa
Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are to improve the quality of the Recipient's paved road network and generate sustained employment in rural areas through road maintenance works.

The Project constitutes part of the Program, and consists of the following parts:

1. Paved Road Rehabilitation and Maintenance

   (a) Rehabilitation

      (i) Rehabilitation of approximately 83 kilometers of Kigali-Ruhengeri section of Kigali-Ruhengeri-Gisenyi road.

      (ii) Provision of technical assistance in support of supervision of said rehabilitation.

   (b) Maintenance

      (i) Maintenance of approximately 550 kilometers of paved trunk roads, including sections of Gatuna-Bugarama, Gitarama-Kibuye, and Rusumo-Gisenyi roads, through execution of multi-year output-based management contracts.

      (ii) Provision of technical assistance in support of supervision of said maintenance.

2. Sector Governance and Policy Support

   (a) Sector Governance Improvement

      Provision of technical assistance to road agency and vehicle technical inspection center referred to in Section V.D.6 of Schedule 2 to this Agreement following their establishment, Road Maintenance Fund, Rwanda Civil Aviation Authority, and National Public Transport Agency in support of preparation and implementation oversight of long-term performance agreements between Recipient and said entities.
(b) Transport Policy Implementation Support

(i) Stakeholder workshops and seminars relating to transport policy implementation and regional transport cooperation.

(ii) Provision of technical assistance to Ministry of Infrastructure in support of program development and carrying out of strategic studies for transport policy implementation.

(iii) Provision of technical assistance in support of development and implementation of road safety action plan, improvement of data collection, and establishment of accident database in Planning, Policy, and Capacity Building Unit.

(iv) Development and implementation of transport sector HIV / AIDS prevention strategy.

(v) Provision of technical assistance in support of establishment and training of local community associations of roadside dwellers in labor-intensive road maintenance.

3. Sector Analysis and Planning Support

(a) Transport Planning and Monitoring Systems

(i) Provision of technical assistance to Planning, Policy, and Capacity Building Unit in support of establishment of transport database and monitoring and evaluation system relating to Project and Program performance, transport costs, transport industry standards, and other transport performance indicators.

(ii) Transport data collection for planning and monitoring systems.

(iii) Acquisition of information technology equipment and materials for monitoring and evaluation system established under Part 3 (a) (i) of Project.

(b) Capacity Building
(i) Provision of long-term in-country training to Recipient’s transport sector staff, local entrepreneurs, and unemployed graduates by international and local universities toward master’s degrees in road engineering and management and transport economics and planning.

(ii) Provision of management support to said in-country training.

4. Project and Program Management Support

(a) Acquisition of information technology equipment and materials for and financing of Operating Costs of Planning, Policy, and Capacity Building Unit, Transport Projects and Programs Management Unit, road agency referred to in Section V.D.6 of Schedule 2 to this Agreement following its establishment, and Road Maintenance Fund.

(b) Provision of technical assistance to Planning, Policy, and Capacity Building Unit, Transport Projects and Programs Management Unit, said road agency following its establishment, and Road Maintenance Fund in support of Project and Program technical and financial audits.

(c) Training of Project and Program management staff in accounting and financial management, procurement and contract management, and budget preparation and disbursement.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry Responsible for Infrastructure

(a) The Recipient’s ministry at the time responsible for infrastructure shall be responsible for coordination, management, and oversight of Project implementation.

(b) Planning, Policy, and Capacity Building Unit

(i) The Recipient shall maintain, throughout Project implementation, the Planning, Policy, and Capacity Building Unit, with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association.

(ii) Without limitation upon the provisions of subparagraph (a) of this Section, the Planning, Policy, and Capacity Building Unit shall be responsible for implementation of Parts 1, 2 (b), and 3 of the Project until such time as the road agency referred to in Section V.D.6 of this Schedule has been established as set out in said provision.

(c) Transport Projects and Programs Management Unit

(i) The Recipient shall maintain, throughout Project implementation, the Transport Projects and Programs Management Unit, in form and substance and with functions and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association, including: (i) a projects coordinator; (ii) the environmental specialist referred to in Part D.2 of this Section; (iii) a financial management specialist; (iv) an accountant; (v) a procurement specialist; (vi) a monitoring and evaluation
specialist; (vii) a procurement assistant; and (viii) an administrative assistant.

(ii) Without limitation upon the provisions of subparagraph (a) of this Section, the Transport Projects and Programs Management Unit shall be responsible for implementation of Parts 2 (a) and 4 of the Project and financial management under Parts 1 (a), 2, 3, and 4 of the Project.

2. Road Agency

(a) Following establishment of the road agency referred to in Section V.D.6 of this Schedule as set out in said provision, the Recipient shall maintain, throughout Project implementation, said agency, with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association.

(b) Without limitation upon the provisions of subparagraph (a) of this Section and following establishment of said agency as set out in Section V.D.6 of this Schedule, said agency shall be responsible for implementation of Parts 1, 2 (b), and 3 of the Project.

3. Road Maintenance Fund

(a) The Recipient shall maintain, throughout Project implementation, the Road Maintenance Fund, with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Road Maintenance Fund shall be responsible for financial management under Part 1 (b) of the Project.

B. Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Manual; and (ii) except as the Association shall otherwise agree, not amend, abrogate, or
waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Plan and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.

2. The Recipient shall, no later than three (3) months after the Effective Date, recruit, to the Transport Projects and Programs Management Unit in accordance with the provisions of Section III of Schedule 2 to this Agreement, an environmental specialist, with qualifications, experience, and terms of reference satisfactory to the Association, who shall be responsible for monitoring and mitigation of potential adverse environmental and social impacts of Project activities and safeguards compliance of all of the Recipient’s road development projects, including compliance with the provisions of paragraph 1 of this Part D.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Date of this Agreement</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part 1 of Project</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of paved road network in good condition as evidenced by average</td>
<td>23</td>
<td>50</td>
</tr>
<tr>
<td>International Roughness Index quotient of less than 3 meters / kilometer</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part 2 of Project</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Number of transport sector agencies implementing performance agreements with Recipient</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>(2) Annual road maintenance / investment budget ratio (Percentage of allocation)</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td><strong>Part 3 of Project</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Number of transport sector agencies with satisfactory management information and statistical systems</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>(2) Number of transport sector staff having master’s degrees or equivalent in transport-related disciplines</td>
<td>15</td>
<td>50</td>
</tr>
</tbody>
</table>

**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 interim unaudited financial reports for the Project covering the quarter, 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 (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. 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 and Works. All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. 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) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Limited International Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(e) Single Source Selection</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) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the terms of reference of all contracts for consultants’ services, and the following contracts, shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of $150,000 or more; (b) each contract for works estimated to cost the equivalent of $200,000 or more; (c) each contract for non-consultant services estimated to cost the equivalent of $150,000 or more; (d) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; (e) each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of $50,000 or more; (f) each contract procured on the basis of Single Source Selection; and (g) each contract for training, workshops, and study tours in accordance with the provisions of the Project Implementation Manual. 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 “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (Exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Part 1 (a) of Project: Paved Road Rehabilitation (Works, consultants’ services, and Training)</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>(2) Part 1 (b) of Project: Paved Road Maintenance (Works, consultants’ services, and Training)</td>
<td>2,640,000</td>
<td>16</td>
</tr>
<tr>
<td>(3) Part 2 of Project: Sector Governance and Policy Support (Goods, works, consultants’ services, and Training)</td>
<td>1,720,000</td>
<td>100</td>
</tr>
<tr>
<td>(4) Part 3 of Project: Sector Analysis and Planning Support (Goods, works, consultants’ services, and Training)</td>
<td>1,470,000</td>
<td>100</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Grant Allocated (Expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed (Exclusive of Taxes)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(5) Part 4 of Project: Project and Program Management Support (Consultants’ services, Training, and Operating Costs)</td>
<td>800,000</td>
<td>100</td>
</tr>
<tr>
<td>(6) Refund of Project Preparation Advance</td>
<td>400,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(7) Unallocated</td>
<td>270,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>7,300,000</strong></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:

   (a) made prior to the date of this Agreement, except that withdrawals for Eligible Expenditures up to an aggregate amount not to exceed $500,000 equivalent under Category (1) and $500,000 equivalent under Category (4) may be made for payments made prior to this date but on or after June 1, 2007;

   (b) made or activities implemented by the road agency referred to in Section V.D.6 of this Schedule until such time as said agency has been established as set out in said provision; and

   (c) under Category (2) unless at least one (1) output-based management contract, in form and substance satisfactory to the Association, has been concluded in accordance with the provisions of Section III of this Schedule between the Recipient and a contractor with qualifications,
experience, and terms of reference satisfactory to the Association for purposes of implementation of Part 1 (b) of the Project.

2. The Closing Date is June 30, 2012.

Section V. Other Undertakings

A. Recipient Contribution

The Recipient shall:

1. No later than one (1) month after the Effective Date, for purposes of financing multi-year output-based management contracts under Part 1 (b) of the Project, establish, and thereafter maintain at all times during Project implementation, in Rwandan Francs, in its central bank, an account under terms and conditions acceptable to the Association, including management by the Road Maintenance Fund.

2. Deposit as follows into said account, no later than January 31 of each year of Project implementation, a minimum amount accruing from the Recipient’s Fuel Levy collections of the preceding year required to finance its contribution for expenditures under the Project other than those financed from the proceeds of the Financing:

(a) 2008: RWF 2,000,000,000;

(b) 2009: RWF 3,000,000,000;

(c) 2010: RWF 3,000,000,000; and

(d) 2011: RWF 4,000,000,000.

3. Ensure that funds deposited into said account in accordance with the provisions of paragraph 2 of this Section shall be used exclusively to finance its contribution to expenditures under the Project.

B. Annual Work Plans and Budgets

The Recipient shall furnish to the Association as soon as available, but in any case no later than September 1 of each year, an annual work plan and budget for
the Project for the following year, in form and substance satisfactory to the Association and of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget due no later than September 1, 2007, which shall be furnished no later than October 1, 2007 or one (1) month after the Effective Date, whichever is sooner.

C. **Midterm Review**

The Recipient shall:

1. Carry out jointly with the Association, no later than thirty (30) months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of Schedule 2 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) implementation of annual work plans and budgets; and (iv) progress on procurement and disbursement; and make adjustments to the Project and reallocate funds to improve performance, if needed.

2. Prepare and furnish to the Association, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date.

3. Review, jointly with the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said report and the Association’s views on the matter.

D. **Other**

1. The Recipient shall implement, at all times during Project implementation, in a manner satisfactory to the Association, the Financial Management and Procurement Action Plans.
2. The Recipient shall, no later than one (1) month after the Effective Date, recruit in accordance with Section III of this Schedule an external auditor for purposes of the audit referred to in Section II.B.3 of this Schedule.

3. The Recipient shall, no later than three (3) months after the Effective Date, adopt: (a) a sector policy matrix; (b) a sector results log-frame; (c) a sector Medium Term Expenditure Framework; and (d) a road maintenance strategy, all in form and substance satisfactory to the Association, and, thereafter implement, at all times during Project implementation, in a manner satisfactory to the Association, the aforementioned.

4. The Recipient shall, no later than one (1) year after the Effective Date, conclude a memorandum of understanding, in form and substance satisfactory to the Association, with the Association and other development partners as agreed with the Association, in support of the Program.

5. The Recipient shall, no later than March 31, 2008, conclude, in accordance with the provisions of Section III of this Schedule, at least one (1) output-based management contract, in form and substance satisfactory to the Association, with a contractor with qualifications, experience, and terms of reference satisfactory to the Association for purposes of implementation of Part 1 (b) of the Project.

6. The Recipient shall, no later than 18 months after the Effective Date, establish, under the supervisory authority of the Ministry of Infrastructure, a road agency and a vehicle technical inspection center, both with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association.
APPENDIX

Definitions


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

3. “Co-financier” means the Association acting as administrator of the Africa Catalytic Growth Fund, referred to in paragraph 10 of the Appendix to the General Conditions.

4. “Co-financing” means an amount of $38,000,000, to be provided by the Co-financier to assist in financing the Project.

5. “Co-financing Agreement” means the agreement between the Recipient and the Co-financier providing for the Co-financing.


7. “Environmental and Social Management Plan” means the Recipient’s plan agreed with the Association for the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impacts associated with Project activities, as the same may be updated from time to time with the concurrence of the Association, to be applied by the Recipient in accordance with the provisions of Section I.D.1 of Schedule 2 to this Agreement, and such term includes any schedules to the Environmental and Social Management Plan.

8. “Financial Management Action Plan” means the Recipient’s plan for the strengthening of the financial management system under the Project, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to said Plan.

10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).

11. “Medium-Term Expenditure Framework” means the transparent planning and budget formulation framework for establishment of public resource allocation envelopes for a government’s strategic priorities while ensuring overall fiscal discipline.

12. “Ministry of Infrastructure” means the Recipient’s ministry at the time responsible for infrastructure, including classified road infrastructure development and management, transport delivery services and mobility, and transport regulation.

13. “Ministry of Lands, Environment, Forestry, Water, and Mines” means the Recipient’s ministry at the time responsible for lands, the environment, forestry, water, and mines.

14. “National Public Transport Agency” means the Recipient’s entity, under the supervisory authority of the Ministry of Infrastructure, responsible for the provision of public transport services.

15. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including 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 staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

16. “Planning, Policy, and Capacity Building Unit” means the Recipient’s entity, under the supervisory authority of the Ministry of Infrastructure, responsible for planning, policy development and implementation, and capacity building relating to infrastructure, including development and implementation oversight of road development programs.

17. “Procurement Action Plan” means the Recipient’s plan for the strengthening of the procurement system under the Project, as shall have been agreed with the Association for purposes of Project implementation, as the same may be
amended from time to time with the concurrence of the Association, and such term includes any schedules to said Plan.


19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated July 5, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

20. “Program” means the program designed to improve the Recipient’s internal and international transport links, reduce and maintain transport costs, improve the sector institutional framework, strengthen the capacity of sector stakeholders, increase road safety, achieve sustainable financing of road maintenance, and sustain the maintenance of roads rehabilitated or constructed under said Program, and set forth or referred to in the letter dated July 23, 2007 from the Recipient to the Association.

21. “Project Implementation Manual” means the Recipient’s manual outlining implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to said Manual.

22. “Project 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 October 17, 2005 and on behalf of the Recipient on November 2, 2005.

23. “Road Maintenance Fund” means the Recipient’s entity, under the supervisory authority of the Ministry of Infrastructure and established and operating pursuant to the Recipient’s Law No. 14 bis/98 of November 5, 1998, responsible for financing of road maintenance.

24. “Rwanda Civil Aviation Authority” means the Recipient’s entity, under the supervisory authority of the Ministry of Infrastructure, responsible for civil aviation.

26. “Rwandan Franc” or “RWF” means the currency of the Recipient.

27. “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.

28. “Transport Projects and Programs Management Unit” means the Recipient’s entity, under the supervisory authority of the Ministry of Infrastructure, responsible for the management and implementation of the Recipient’s transport projects and programs.