Agreement Providing for the Amendment and Restatement of the Financing Agreement

(Land Husbandry, Water Harvesting and Hillside Irrigation Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 23rd, 2018
AGREEMENT dated February 28th, 2018, entered into between REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) under an agreement, dated February 8, 2010, 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-one million four hundred thousand Special Drawing Rights (SDR 21,400,000) to assist in financing the project described in Schedule 1 to the Original Financing Agreement;

(B) under an agreement, dated December 30, 2013, between the Recipient and the Association ("Additional Financing Agreement"), the Association agreed to provide the Recipient with an additional credit ("Additional Credit") in an amount equivalent to twenty-two million eight thousand Special Drawing Rights (SDR 22,800,000) in support of scaling up activities related to the Original Project, as described in Schedule 1 to the Additional Financing Agreement;

(C) Further to the letter No. 7601/10/17/CE, dated July 19, 2017, the Recipient requested the Association to restructure the Project in order to allow for the transfer of Project implementation responsibilities from MINAGRI to RAB, in line with the Recipient’s policy reforms that foresee that ministries will focus exclusively on policy-making.

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement and the Additional Financing Agreement (together, the "Financing Agreements"), with effect from the Effective Date of this Agreement, to read as follows:
FINANCING AGREEMENT

AGREEMENT dated _, 2017, entered into between REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of amending and restating the Financing Agreements. 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, an Original Credit and an Additional Credit (together, the "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):  
   (a) an amount equivalent to twenty-one million four hundred thousand Special Drawing Rights (SDR 21,400,000) ("Original Credit"); and,  
   (b) an amount equivalent to twenty-two million eight hundred thousand Special Drawing Rights (SDR 22,800,000) ("Additional Credit").

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%).

2.05. The Payment Dates are March 15 and September 15 in each year.
2.06. The principal amount of the Financing 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 objectives of the Project and the Program. To this end, the Recipient shall cause RAB ("Project Implementing Entity") to implement the Project 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 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 Subsidiary 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 Subsidiary 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 notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. This Agreement (amending and restating the Financing Agreements) shall not become effective until:

(a) evidence satisfactory to the Association has been furnished to the Association that the execution and delivery of the Subsidiary Agreement
on behalf of the Recipient and the Project Implementing Entity has been duly authorized or ratified by all necessary governmental action; and,

(b) The Subsidiary Agreement referred to in Section I.E. of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. As part of the evidence to be furnished pursuant to Section 5.01(a) of this Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association or, if the Association so requests, a certificate satisfactory to the Association of a competent official of the Recipient, showing the following matters:

(a) on behalf of the Recipient, that the Subsidiary Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms; and,

(b) on behalf of the Project Implementing Entity, that the Subsidiary Agreement has been duly authorized by, and executed and delivered by the Project Implementing Entity and is legally binding upon such party in accordance with its terms.

5.03. (a) Except as the Recipient and the Association shall otherwise agree and subject to the provisions of paragraph 5.05 below, this Agreement (amending and restating the Financing Agreements) shall enter into effect on the date upon which the Association dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Amendment Effective Date”).

(b) If, before the Effective Date of this Agreement (amending and restating the Financing Agreements), any event has occurred which would have entitled the Association to suspend the right of the Recipient to make withdrawals from the Financing Account had this Agreement (amending and restating the Financing Agreements) entered into effect, the Association may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event (or events) has (or have) ceased to exist.

5.04. The Effectiveness Deadline for this Agreement (amending and restating the Financing Agreements) is the date ninety (90) days after the date of this Agreement.

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

REPUBLIC OF RWANDA

By

Authorized Representative

Name: CLARE OLIVE

Title: MINISTER OF FINANCE & ECONOMIC PLANNING

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: DIANE NGUYEN

Title: COUNTRY DIRECTOR
SCHEDULE I

Project Description

The objective of the Project is to increase the productivity and commercialization of hillside agriculture in Target Areas in the Recipient’s country.

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

1. Capacity Development and Institutional Strengthening

   (a) Strengthening of farmer organizations and cooperatives, including organizational diagnoses, capacity building, and institutional development with respect to governance, management, and market orientation.

   (b) (i) Establishment of an implementation framework for an extension delivery system, including participatory extension, farmer-extension agent interactions, evaluation and validation of results of new technologies and practices; participatory crop selection and market-based approaches to input use;

   (ii) carrying out of farmer support activities, including extension activities with respect to land husbandry technologies, pest disease monitoring, identification, and reporting and horticultural production in irrigated command areas, for purposes of meeting external certification standards, and provision of other certification-related support; and

   (iii) provision of institutional, organizational, and human resource support for such farmer support activities, including the use of performance contracts and preparation of training materials.

   (c) (i) Strengthening of marketing infrastructure and capacity building, including: (A) establishment of linkages between entrepreneurs and smallholder organizations; (B) provision of technical assistance with respect to auditing and external certification of horticultural farmers; and (C) development of post-harvest infrastructure, such as packing houses and cold storage rooms; and

   (ii) strengthening of rural access to finance, including (A) product development in savings, leasing, other value chain financing, and index-based weather insurance, including rehabilitation of
ground weather stations, and related capacity building of financial service providers and producers, (B) capacity building of and establishment of linkages between rural communities, community and producer organizations, and rural financial service providers, and (C) promotion of long-term sustainable financial services to rural communities, including product development and capacity building, through the Access to Finance Rwanda Initiative.

(d) Institutional strengthening and capacity building of the Ministry of Agriculture and Animal Resources and related agencies in hillside intensification and sustainable land management, including establishment of a geographic information system-based information framework and provision of support to the regulatory environment for sanitary and phytosanitary implementation.

2. Infrastructure

Development of the following infrastructure for hillside intensification:

(a) participatory and comprehensive land husbandry technologies and infrastructure in a sub-watershed setting, including for purposes of soil conservation and downstream reservoir protection;

(b) water harvesting infrastructure, including valley dams and reservoirs; and,

(c) water conveyance structures, including primary and secondary water distribution networks and field-level basin or furrow irrigation applications, and command area development of irrigated hillsides.

3. Support to Sector-Wide Approach Implementation

Support to the implementation of a Sector-Wide Approach in agriculture, including establishment of monitoring and evaluation and management information systems and inter-ministerial coordination, and provision of support to Project and Program implementation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause RAB to be responsible for Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, in accordance with the following institutional arrangements.

   Inter-Ministerial Steering Committee

2. The Recipient shall maintain and assign for the implementation of the Project, the Inter-Ministerial Steering Committee, established pursuant to Section I.A.2 of Schedule 2 of the Original Financing Agreement.

3. The Inter-Ministerial Steering Committee shall be responsible for policy and strategic orientation of the Project.

   RAB- Single Project Implementation Unit

4. The Recipient shall cause RAB to establish and, thereafter, throughout Project implementation: (a) maintain the Single Project Implementation Unit (SPIU) comprising the SPIU Coordinator who shall head said Unit, the Department Heads, chief accountant, Project accountant, two procurement specialists, one environmental specialist, and two social specialists, one monitoring and evaluation specialist and such other technical, safeguards and fiduciary specialists as may be agreed with the Association, all with qualifications and experience satisfactory to the Association; and (b) ensure that the SPIU has adequate resources to carry out its responsibilities under the Project.

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

   District Implementation Support Teams

6. The Recipient shall and shall cause RAB to: (a) maintain and assign to the implementation of the Project, the District Implementation Support Teams, established pursuant to Section I.A.7 of Schedule 2 of the Original Financing Agreement; and (b) for each such additional District identified during Project implementation, establish, prior to Project implementation in such District, and thereafter maintain throughout Project implementation, such District
Implementation Support Team, with mandate and staffing acceptable to the Association.

7. The District Implementation Support Teams shall be responsible for District-level Project implementation.

B. Anti-Corruption

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

C. Project Implementation Manual

1. The Recipient:

(a) shall cause RAB to: (i) no later than one (1) month after the Effective Date, update the Project Implementation Manual, in form and substance satisfactory to the Association;

(b) shall cause RAB to implement the Project in accordance with the Project Implementation Manual, which shall set out the implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation; and

(b) may not, except as the Association shall otherwise give its prior agreement in writing, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

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

D. Safeguards

1. (a) The Recipient shall ensure that RAB carries out the Project in accordance with the provisions of the Environmental and Social Management Framework, any Environmental Management Plans, the Small Dam Guidelines, any Dam Safety Plans, the Resettlement Policy Framework, any Resettlement Action Plans, Compensation Note, and the Pest Management Plan; and

(b) except as the Association shall otherwise agree, the Recipient shall and shall cause RAB not assign, amend, abrogate, or waive, or permit to be
assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. Wherever required in accordance with the provisions of the frameworks referred to in paragraph 1(a) of this Part D, the Recipient shall cause RAB to, for the purposes of any Subproject, and prior to implementation thereof, proceed to have an Environmental Management Plan, Resettlement Action Plan, or Dam Safety Plans in accordance with the provisions of paragraph 8(b) of this Part D, as the case may be:

(a) prepared in form and substance satisfactory to the Association; and

(b) except as otherwise agreed with the Association, submitted to the Association for review and approval, and thereafter adopted and locally disclosed.

3. Without limitation upon its other reporting obligations under Section II.A.1(a) of this Schedule, the Recipient shall and shall cause RAB to take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a semi-annual basis, reports on the status of compliance with such Frameworks and Plans, giving details of:

(a) measures taken in furtherance of such Frameworks and Plans;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Frameworks and Plans; and

(c) remedial measures taken or required to be taken to address such conditions.

4. The SPIU shall be responsible for the preparation, as the case may be, and implementation, and monitoring and evaluation of such Frameworks and Plans.

5. In the event of any conflict between the provisions of any such Framework or Plan, and those of this Agreement, the latter shall prevail.

**Dam Safety**

*Small and Large Dams*

6. The Recipient shall and/or shall cause RAB:

(a) furnish to the Association for review, prior to the issuance of a request for proposals relating to a contract for the provision of technical services relating to the investigation, design, or construction or the commencement of operations of a dam, terms of reference satisfactory to
the Association for such contract, and appoint for the provision of such services professionals with qualifications and experience satisfactory to the Association;

(b) furnish to the Association for review, no later than 15 days after the completion or receipt of each such report, all reports relating to dam safety prepared by the Recipient or RAB, any independent specialists assessing a dam under construction or targeted under the Project, or professionals appointed by the Recipient or RAB to design, construct, fill, and start up a dam; and

(c) furnish to the Association for review, as soon as available, all information relevant to dam safety, including cost estimates, construction schedules, procurement procedures, technical assistance arrangements, environmental and social assessments, along with the dam proposal, technical aspects, inspection reports, and any action plans relating to dam safety prepared by the Recipient or RAB.

7. The Recipient shall and/or shall cause RAB to furnish to the Association for review, no later than three (3) months prior to the Closing Date, operational procedures with respect to dams constructed or targeted under the Project, including retention of written instructions for flood operations and emergency preparedness at such dams at all times, incorporation of necessary modifications to technical criteria for the evaluation of dam safety further to the advent of new technology or information, and application of such revised criteria to such dams and other dams under the Recipient's jurisdiction as necessary.

Large Dams

8. The Recipient, for the purposes of any Large Dam Subproject:

(a) (i) shall or shall cause RAB to establish, prior to the investigation phase of the subject Large Dam and in accordance with the provisions of Section III of this Schedule, and provide administrative support to, a Panel comprising at least three (3) experts acceptable to the Association and with terms of reference acceptable to the Association for review of the investigation, design, and construction and the commencement of operations of the subject Large Dam, such terms of reference including review of and provision of advice relating to safety and other critical aspects of the subject Large Dam, its appurtenant structures, the catchment area, the area surrounding the reservoir, and downstream areas;
(ii) (A) shall or shall cause RAB to convene, beginning as early as in Large Dam Subproject preparation as possible, periodic Panel meetings and reviews, which shall continue through the investigation, design, construction, and initial filling and start-up phases of the subject Large Dam, (B) shall or shall cause RAB to inform the Association in advance of each such meeting such that the Association may participate in such meeting as an observer, and (C) shall or shall cause RAB to furnish to the Association for review, no later than fifteen (15) days after the receipt of each such report, a copy of the Panel’s report of its conclusions and recommendations following each such meeting; and

(iii) shall or shall cause RAB to furnish to the Association for review, following the initial filling of the reservoir and the start-up of the subject Large Dam, a copy of the Panel’s report of its findings and recommendations in relation to such filling and start-up, and may disband the Panel in consultation with the Association following such review if no significant difficulties have been encountered in the filling and start-up.

(b) shall or shall cause RAB to submit to the Association for review, and thereafter take all measures required to address the conclusions and recommendations of such review and adopt, Dam Safety Plans, of such scope and detail as the Association shall have reasonably requested and which shall have been reviewed by the Panel and reflect the conclusions and recommendations of such review, as follows:

(i) (A) a Dam Construction Supervision and Quality Assurance Plan, (B) a broad framework Dam Emergency Preparedness Plan and an estimate of funds needed to prepare such Plan in detail, and (C) a preliminary Dam Operation and Maintenance Plan, all along with the annual work plan and budget referred to in Section II. C of this Schedule reflecting the subject Large Dam Subproject,

(ii) a Dam Instrumentation Plan during the design phase of the subject Large Dam, and prior to bid tendering under the Large Dam Subproject,

(iii) a Dam Emergency Preparedness Plan no later than one (1) year prior to the initial filling of the subject Large Dam, and

(iv) a Dam Operation and Maintenance Plan no later than six (6) months prior to the initial filling of the subject Large Dam.
(c) shall or shall cause RAB to prequalify bidders prior to bid tendering under the Large Dam Subproject; and

(d) shall or shall cause RAB to have periodic dam safety inspections performed by independent professionals, with qualifications, experience, and terms of reference satisfactory to the Association and who have not been involved in the investigation, design, construction, or operation of the subject Large Dam, following the initial filling and start-up of the subject Large Dam.

E. Subsidiary Agreement.

1. In order to facilitate the carrying out of the Project by the Project Implementing Entity, the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include: (a) the obligation of the Recipient to provide part of the Credit on a grant basis to RAB; and, (b) the right of the Recipient to suspend or terminate the right of the Project Implementing Entity to use said proceeds of the financing, or to obtain a refund of all or any part of the amount of the financing then withdrawn, upon the Project Implementing Entity failure to perform any of the obligations under the Subsidiary Agreement.

2. The Subsidiary Agreement shall further include the obligation of the Project Implementing Entity to:

(a) implement the Parts 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, Safeguards 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 the General Conditions; 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
(c) 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 financial reports covering each quarter, 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 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.

3. 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.

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 indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of one calendar year, 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 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. 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.

C. **Annual Work Plans and Budgets**

1. The Recipient shall cause RAB to prepare and furnish to the Association for its approval, not later than June 1 of each year during the implementation of the Project, an Annual Work Plan and Budget containing all eligible Project activities and expenditures planned for the following Fiscal Year, including a specification of the source or sources of financing for each contract for expenditures eligible for financing from each such source and the percentage of financing of each contract from each such source.

2. The Recipient shall ensure that RAB implements the Project in accordance with the Annual Work Plan and Budget approved for the respective Fiscal Year; provided, however, that in case of any conflict between any Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail.
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 the Procurement Guidelines, or 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:
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) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Framework Agreement</td>
</tr>
<tr>
<td>(e) Direct Contracting</td>
</tr>
<tr>
<td>(f) Force Account</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>


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 “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 tables in paragraph 2 below.

2. The following tables specify the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Original Credit and Additional Credit 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 Original Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods</td>
<td>2,329,000</td>
<td>100%</td>
</tr>
<tr>
<td>2. Works</td>
<td>14,425,986</td>
<td>100%</td>
</tr>
<tr>
<td>3. Consultant Services</td>
<td>3,569,000</td>
<td>100%</td>
</tr>
<tr>
<td>4. Training</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>5. PPF refinancing</td>
<td>221,013.21</td>
<td>100%</td>
</tr>
<tr>
<td>6. Unallocated</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>7. Operating Costs</td>
<td>295,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>8. Non-Consultancy services</td>
<td>160,000.79</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>21,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Additional Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods and vehicles</td>
<td>1,416,000</td>
<td>100%</td>
</tr>
<tr>
<td>2. Works</td>
<td>16,422,000</td>
<td>100%</td>
</tr>
<tr>
<td>3. Consultant Services</td>
<td>3,364,000</td>
<td>100%</td>
</tr>
<tr>
<td>4. PPF refinancing</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>5. Unallocated</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>6. Training</td>
<td>510,000</td>
<td>100%</td>
</tr>
<tr>
<td>7. Operating Costs</td>
<td>538,000</td>
<td>100%</td>
</tr>
<tr>
<td>8. Non-consultant Services</td>
<td>550,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>22,800,000</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 made prior to the date of the Original Financing Agreement.

2. The Closing Date is June 29, 2018.
## SCHEDULE 3
### Repayment Schedule

#### I. Repayment Schedule of the Original Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(expressed as a percentage)*</td>
</tr>
<tr>
<td>On each March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing March 15, 2020 to and including September 15, 2029</td>
<td>1%</td>
</tr>
<tr>
<td>commencing March 15, 2030 to and including September 15, 2049</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.

#### II. Repayment Schedule of the Additional Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(expressed as a percentage)*</td>
</tr>
<tr>
<td>On each March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing March 15, 2024 to and including September 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing March 15, 2034 to and including September 15, 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. “Access to Finance Rwanda Initiative” means the Recipient’s program, established and designed to increase the number of poor people in Rwanda with access to financial services.

2. “Additional Credit” means Credit No. 5360-RW.


4. “Agriculture Sector Working Group” means the Recipient’s entity, established and operating pursuant to the Recipient’s Economic Development and Poverty Reduction Strategy (as hereinafter defined), responsible for the policy and strategic orientation of the agriculture sector.

5. “Annual Confirmation Letter” means a letter from the Association to the Recipient indicating the applicable percentage rate of disbursement for the Project for the year having regard to amount of funding available to the Association from the Co-financiers for the support of the Project.

6. “Annual Work Plan and Budget” means a plan and budget referred to in Section II.C of Schedule 2 to this Agreement.


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


10. “Compensation Note” means the Recipient’s document setting out description of activities and map of route, amount of land affected, type of crop lost, preceding year’s yield of affected area for approximation of maximum potential loss, simple grievance redress mechanism, total budget for compensation, description of related public consultation, and an annex consisting of list of people to be compensated and certificate of compensation.

12. "Dam Construction Supervision and Quality Assurance Plan" means the RAB's plan setting out measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the construction of or work on the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.

13. "Dam Emergency Preparedness Plan" means the RAB's plan setting out measures, including clear statements on the responsibility for operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, for when facility failure is considered imminent or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.

14. "Dam Instrumentation Plan" means the RAB's plan setting out measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.

15. "Dam Operation and Maintenance Plan" means the RAB's plan setting out measures, including organizational structure, staffing, technical expertise, and training required, equipment and facilities needed, procedures, and funding arrangements, including long-term maintenance and safety inspections, for the operation and maintenance of the Large Dam to be constructed or targeted under a Large Dam Subproject (as hereinafter defined), in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.
16. "Dam Safety Plans" means, collectively, the: (i) Dam Construction Supervision and Quality Assurance Plan; (ii) Dam Emergency Preparedness Plan; (iii) Dam Instrumentation Plan; and (iv) Dam Operation and Maintenance Plan.

17. "Department Heads" means the RAB's staff within SPIU in charge of irrigation and land husbandry, commodity chain development, procurement, finance, information management and administration.


19. "District Implementation Support Team" means the RAB's entity, established under the supervisory authority of the RAB (as hereinafter defined), responsible for District-level implementation of the Program (as hereinafter defined).

20. "Economic Development and Poverty Reduction Strategy" means the Recipient's strategy, dated September 2007, prepared through a participatory process involving civil society and development partners, setting out its macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs, for the period from 2008-12.

21. "Environmental and Social Management Framework" means the RAB's framework, dated November 2009, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Framework.

22. "Environmental Management Plan" means the RAB's plan, to be agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of activities to be implemented under a Subproject (as hereinafter defined), offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.

23. "Financing Agreements" means the Original Financing Agreement and the Additional Financing Agreement.
24. "Fiscal Year" means the 12-month period from July 1 to June 30; provided, however, that, in the case of the first Fiscal Year of the Project ("First Fiscal Year"), the Fiscal Year period shall run from the date of this Agreement to June 30.


26. "Inter-Ministerial Steering Committee" means the committee, under the supervisory authority of its Agriculture Sector Working Group and referred to in Section I.A.2 of Schedule 2 to this Agreement, responsible for the policy and strategic orientation of the Physical Resources and Food Production Program (as hereinafter defined).

27. "Large Dam" means a dam: (i) 15 meters or more in height; (ii) between 10 and 15 meters in height and presenting special design complexities; or (iii) under 10 meters in height and expected to reach or exceed 15 meters in height during operation.

28. "Large Dam Subproject" means a Subproject (as hereinafter defined) for purposes of construction of a Large Dam under Part 2(b) of the Project.

29. "Ministry of Agriculture and Animal Resources" or "MINAGRI" means the Recipient’s ministry at the time responsible for agriculture and animal resources.

30. “Non-consulting services” means “Non-consulting services” means services bid and contracted on the basis of the performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied and includes the provision of technical assistance, supervision and advisory services for the implementation of land husbandry activities for which payments are pegged on the land area (hectares) completed.”

31. "Office of the Permanent Secretary" means the Recipient’s office in the Ministry of Agriculture and Animal Resources responsible for coordination and budget management in the ministry.

32. "Operating Costs" means the expenses incurred by RAB on account of Project implementation, based on Annual Work Plans and Budgets approved by the Association pursuant to Section II.C of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and per diem, excluding the salaries of the Recipient’s civil service.

33. "Original Credit" means Credit No. Credit No 4674-RW.

35. “Original Project” means the Project described in the Original Financing Agreement.

36. “Panel” means the independent panel of experts referred to in Section I.D.8 (a) (i) of Schedule 2 to this Agreement.

37. “Pest Management Plan” means the Recipient’s plan, dated July 2009, agreed with the Association and setting out the measures to be taken for the development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.


39. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 4, 2013 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.

40. “Program” means the program, part of the Physical Resources and Food Production Program, designed to increase the productivity and commercialization of hillside agriculture in Rwanda, and set forth or referred to in the letter dated October 12, 2009 from the Recipient to the Association.

41. “Project Implementing Entity” means RAB.


43. “Project Implementation Manual” means the Recipient’s manual, referred to in Section I.C.1 of Schedule 2 to this Agreement and dated July 21, 2010, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such Manual.

44. “RAB” means the Rwanda Agriculture and Animal Resources Development Board, established and operating pursuant to Law No 14/2017 of 14/04/2017 establishing Rwanda Agriculture and Animal Resources Development Board (RAB) and determining its mission, organisation and functioning.
measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under a Subproject (as hereinafter defined), in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Plan.

46. “Resettlement Policy Framework” means the Recipient’s framework, dated July 2009, agreed with the Association and setting out the arrangements, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under the Project, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Framework.

47. “Sector-Wide Approach” means an approach to development partner investment financing aimed at supporting a country-owned, comprehensive sector program in a flexible and coordinated manner.

48. “Single Project Implementation Unit” or “SPIU” means a department of the Recipient within RAB responsible for implementing this Project.

49. “Small Dam” means a dam less than 15 meters in height and which would not otherwise qualify as a Large Dam pursuant to the provisions of paragraph 17(ii) or (iii) of this Section I.

50. “Small Dam Guidelines” means the RAB’s guidelines, dated May 2012, setting out generic safety measures for the construction supervision and quality assurance, instrumentation, and operation and maintenance of, and emergency preparedness in relation to, Small Dams, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such Guidelines.

51. “Subproject” means infrastructure activities under Part 1(c) (i) (C), Part 1(c) (ii) (A), and Part 2 of the Project.

52. “Subsidiary Agreement” means the agreement entered into by the Recipient and RAB, referred to in Section I.E. of Schedule 2 to this Agreement.

53. “Target Areas” means the sub-watersheds in the Recipient’s territory identified as the sites for the Project investments and activities, meeting technical, economic, environmental, and social criteria as defined in the Common Framework for Engagement.

54. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section II. C of Schedule 2 to this
Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances 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.