Honorable Claver Gatete  
Minister of Finance  
Ministry of Finance and Economic Planning  
P. O. Box 158  
Kigali, Rwanda

Re: Multi-Donor Trust Fund for the co-financing of the Second Emergency Demobilization and Reintegration Project  
Grant No. TF0A3913  
Letter Agreement

Honorable Minister:

In response to the request for financial assistance made on behalf of the Republic of Rwanda ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi-Donor Trust Fund for the Co-financing of the Second Emergency Demobilization and Reintegration Project, proposes to extend to the Recipient, a grant in an amount not to exceed eight hundred thousand United States Dollars (USD 800,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street NW · Washington, DC 20433 USA
AGREED:
REPUBLIC OF RWANDA

By ____________________________
Authorized Representative

Name CLAUVER GATECE
Title MINISTER, FINANCE & ECONOMIC PLANNING
Date 12th Feb 2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006
ARTICLE I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in the Financing Agreement (as herein after defined) or in this Agreement, including the following:

(a) "Financing Agreement" means the amended and restated Financing Agreement between the Recipient and the Association dated June 13, 2014 for the Second Emergency Demobilization and Reintegration Project.

ARTICLE II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the efforts of the Recipient to (i) demobilize members of Armed Groups of Rwandan origin and the Rwanda Defense Forces; and (ii) provide socioeconomic reintegration support to such members following demobilization, with a particular focus on female, child, and disabled Ex-Combatants. The Project consists of the parts described in Schedule 1 to the Financing Agreement.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Rwanda Demobilization and Reintegration Commission in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines"); (c) this Article II; and (d) the institutional arrangements set forth in Schedule 2 to the Financing Agreement.

2.04. Donor Visibility and Visit. (a) The Recipient shall take all such measures as the World Bank may reasonably request to identify publicly the Donors support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.05. Documents; Records. In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant,
including audit reports, invoices and payroll records; (iv) the Recipient's implementation
documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v)
the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred
to above in paragraph (a); (ii) provided all such information concerning such records as they may
from time to time reasonably request; and (iii) able to disclose such records and information to the
Donor.

2.06. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and
evaluate the progress of the Project and prepare Project Reports in accordance with the provisions
of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World
Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to
the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the
provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished
to the World Bank not later than six months after the Closing Date.

2.07. **Financial Management.** (a) The Recipient shall ensure that a financial management
system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project
are prepared and furnished to the World Bank as part of the Project Report not later than forty-five
(45) days after the end of each calendar quarter, covering the quarter, in form and substance
satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the
provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months
after the end of such period.

2.08. **Procurement**

(a) **General.** All goods, works, non-consulting services and consultants' services
required for the Project and to be financed out of the proceeds of the Grant shall be procured in
accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-
Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”
dated January 2011 (revised July 2014) (“Procurement Guidelines”), in the case of goods, works
and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of
Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated
January 2011 (revised July 2014) (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the
procurement plan prepared and updated from time to time by the Recipient for the Project in
accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

(c) Particular Methods of Procurement of Goods, Works and Non-Consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding; (B) Shopping (C) Direct Contracting; and (D) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants' Qualifications; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Basic Needs, Recognition of Service, and Disability Allowances and Training, Education, Employment, and Subproject Grants under Parts 2 (a), (b), (c), and (e) and 3 (a) and (d) (iv) of the Project</td>
<td>395,000</td>
<td>Such percentage as IDA shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenditures</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services (including for audits), and Training under Parts 1, 2 (d), (e) and (f), 3 (a), (b), (c), (d) (i), (ii), (iii), and (iv), (e) and (f), 4, and 5 of the Project</td>
<td>65,000</td>
<td>Such percentage as IDA shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenditures</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>340,000</td>
<td>Such percentage as IDA shall determine and communicate to the Recipient in a Confirmation Letter based upon actual expenditures and projected expenditures</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>800,000</td>
<td></td>
</tr>
</tbody>
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3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391