Least Developed Countries Fund
Project Agreement
(Landscape Approach to Forest Restoration and Conservation)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
(acting as administrator of the Least Developed Countries Fund)

and

RWANDA ENVIRONMENT MANAGEMENT AUTHORITY

Dated October 4, 2014
LEAST DEVELOPED COUNTRIES FUND
PROJECT AGREEMENT

AGREEMENT dated October 4, 2014, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank") acting as administrator of the Least Developed Countries Fund ("LDCF") and the RWANDA ENVIRONMENT MANAGEMENT AUTHORITY ("Project Implementing Entity") ("Project Agreement") in connection with the Grant Agreement ("Grant Agreement") of same date between the REPUBLIC OF RWANDA ("Recipient") and the World Bank. The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section II of the Appendix to the Grant Agreement, constitute an integral part of this Agreement.

1.01. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Grant Agreement or the Standard Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article II of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Director-General.

3.02. The World Bank’s Address is:

International Development Association

1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS
Telex: 248423(MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
3.03. The Project Implementing Entity’s Address is:

Rwanda Environment Management Authority
Gasabo District
P. O. Box 7436
Kacyiru-Kigali
Rwanda

Facsimile:

250-252580017
AGREED at Kigali, Rwanda, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(acting as administrator of the Least Developed Countries Fund)

By:

[Signature]
Name: Carolyne Turms
Title: Country Manager

RWANDA ENVIRONMENT MANAGEMENT AUTHORITY

By:

[Signature]
Name: Rose MUKANKOMERE
Title: Director General
SCHEDULE

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Implementing Entity

1. The Project Implementing Entity shall be responsible for the overall implementation of the Project.

Single Project Implementation Unit

2. The Project Implementing Entity shall: (a) maintain throughout Project implementation the Single Project Implementation Unit (SPIU) with adequate resources to carry out its responsibilities under the Project; and (b) not later than December 30, 2014 or such other date as may be agreed with the World Bank, appoint and thereafter maintain throughout Project Implementation, a Project Coordinator, an additional accountant and an additional procurement specialist, all with terms of reference, qualifications and experience satisfactory to the World Bank.

3. Without limitation upon the provisions of paragraph 2 of this Section, the SPIU shall be responsible for the day-to-day management and administration of the Project including financial management, procurement and monitoring and evaluation.

District Project Coordination Teams

4. The Project Implementing Entity shall: (a) not later than March 1, 2015 or such other date as may be agreed with the World Bank, establish and thereafter maintain throughout Project implementation in each District in which the Project is to be implemented, a District Project Coordination Team comprising of district level officials responsible for agriculture, environment forestry, mines, lands and cooperative, and such other officials as may be necessary for purposes of the Project, with terms of reference satisfactory to the World Bank; and (b) avail adequate resources to the District Project Coordination Teams to carry out their responsibilities under this Project.

5. Without limitation upon the provisions of paragraph 4 of this Section, the District Project Coordination Teams shall be responsible for District-level Project implementation, including community mobilization, liaison with District level authorities and capacity building activities.

Gishwati Integrated Landscape Planning Working Group

6. The Project Implementing Entity shall not later than May 1, 2105 or such other date as may be agreed with the World Bank, establish the Gishwati Integrated Landscape Planning Working Group with functions satisfactory to the World Bank and with adequate resources to carry out its functions under the Project.
7. Without limitation upon the provisions of paragraph 6 of this Section, the Gishwati Integrated Landscape Planning Working Group shall be responsible for integrating existing land use and development plans, and developing coordination structures going forward.

B. Implementation Arrangements

Project Implementation Manual

1. The Project Implementing Entity to: (a) (i) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank a Project implementation manual containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, corruption and fraud mitigation measures and such other arrangements and procedures as shall be required for the Project; and (ii) thereafter adopt and carry out the Project in accordance with such Project implementation manual as shall have been approved by the World Bank (Project Implementation Manual); and (b) except as the World Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.

2. In case of a conflict between the provisions of the Project Implementation Manual and this Agreement, those of the Grant Agreement shall prevail.

Annual Work Plan and Budget

3. The Project Implementing Entity shall not later than May 30 of each year, prepare and furnish to the World Bank, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.

4. The Project Implementing Entity to exchange views with the World Bank on each such proposed annual work plan, and shall cause the Project Implementing Entity to thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the World Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank (Agreed Annual Work Plan).

District Memorandum of Understanding

5. To facilitate the implementation of the Project at the District level, the Project Implementing Entity shall, not later than August 30, 2015, enter into memorandum of understanding with each District in which the Project is operative detailing mutual responsibilities for the implementation of the Project and detailing other terms and conditions as may be approved by the World Bank (“District Memorandum of Understanding”), such terms and conditions to include the responsibility of said District to: (i) carry out the Activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the Project
Implementation Manual and the Anti-corruption Guidelines; (ii) maintain policies and procedures adequate to enable it to monitor the progress of its activities under the Project and the achievement of the Project’s objectives; (iii) enable the Recipient and the World Bank to inspect the Project activities within the District’s jurisdiction, its operation and any relevant records and documents; and (iv) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank may reasonably request relating to the foregoing.

6. The Project Implementing Entity shall exercise its rights and perform its obligations under each District Memorandum of Understanding in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any District Memorandum of Understanding or any of its provisions.

C. Anti-Corruption

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

D. Safeguards

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the ESMF, the RPF, the Process Framework and the IPMF.

2. Further to Part D.1 of this Section I, the Project Implementing Entity shall ensure that:

   (a) (i) all terms of reference for all studies or other technical assistance to be carried out under the Project are consistent with and pay due attention to ESMF, the RPF, the Process Framework and the IPMF, and to the Recipient’s own laws relating to the environment and social aspects; and (ii) to this end, the Project Implementing Entity shall, prior to undertaking each study included in the Project:

       (1) prepare and furnish the terms of reference for such study to the World Bank for its review;

       (2) afford the World Bank a reasonable opportunity to exchange views with the Project Implementing Entity on said terms of reference;

       and

       (3) promptly finalize such terms of reference as shall have been approved by the World Bank; and

   (b) where required under the ESMF, the RPF or Process Framework in respect of any of the Project activities: (i) an ESMP, ESIA, RAP and/or CRMP for said Project activity is prepared as required; (ii) each such instrument is furnished to the World Bank for its review and approval prior to the implementation of said Project activity; and (iii) each such instrument is thereafter adopted and disclosed in accordance with the provisions of the ESMF, the RPF or the Process Framework.
Section II.  Project Monitoring, Reporting and Evaluation

A.  Project Reports

1.  The Project Implementing Entity to 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 the indicators acceptable to the World Bank and set out in the Project Implementation Manual. 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.

2.  The Project Implementing Entity 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 (6) months after the Closing Date.

3.  Without limitation upon its other reporting obligations under Paragraph 1 of this Section II.A, the Project Implementing Entity shall report, as part of the Project Report, on the status of implementation and compliance with the safeguard requirements as set out in the ESMF, the RPF, the Process Framework, the IPMF and this Agreement.

B.  Financial Management, Financial Reports and Audits

1.  The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2.  The Project Implementing Entity 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 45 days after the end of each quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3.  The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be furnished to the Recipient and the World Bank not later than six (6) months after the end of the period.

Section III.  Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.
Section IV. **Other Undertakings**

Audit Committee

The Project Implementing Entity shall not later to not later than December 30, 2014 or such other date as may be agreed with the World Bank, appoint and thereafter maintain throughout Project implementation, an internal audit committee, with institutional framework, staffing and terms of reference satisfactory to the World Bank, and with adequate resources to carry out its responsibilities under the Project.