Global Agriculture and Food Security Program
Grant Agreement
(Sustainable Agricultural Intensification and Food Security Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Trustee of the Trust Fund for the Global Agriculture and Food Security Program

Dated September 19, 2018
AGREEMENT dated September 19, 2018, entered into between: the REPUBLIC OF RWANDA ("Recipient"); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting Trustee of the Trust Fund for the Global Agriculture and Food Security Program ("GAFSP").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Project to be carried out by Rwanda Agriculture and Animal Resources Board ("Project Implementing Entity") in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entity, as such agreement may be amended from time to time ("Project Agreement").

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed twenty-
six million three hundred thousand United States Dollars ($26,300,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, 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.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The Member Country has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

(b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.

(c) IBRD or IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the
Project Implementing Entity will be able to perform its obligations under the Project Agreement.

(e) The Implementing Entity Legislation pursuant to which the Project Implementing Entity has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(f) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

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

(a) the execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action; and

(b) the Subsidiary 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, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters:

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

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

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grants Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Republic of Rwanda; and
E-mail:
minfin@minecofin.gov.rw

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at 

Republic of Rwanda

Authorized Representative

Name: 
Title:

International Bank for Reconstruction and Development
acting as Trustee for the Trust Fund for the Global Agriculture and Food Security Program

Authorized Representative

Name: Yasser El-Gamal
Title: Country Manager
SCHEDULE 1
Project Description

The objective of the Project is to increase agricultural productivity, market access and food security of targeted beneficiaries in the Project Areas.

The Project consists of the following parts:

Part 1: Institutional Strengthening, Agriculture Productivity Enhancement and Nutrition Improvement

1.1. Strengthen institutional and entrepreneurial capacity of selected farmer organizations for improved agricultural productivity.

1.2. Support interventions aimed at sustaining and further increasing productivity of selected agriculture crops.

1.3. Carry out activities, including campaigns aimed, at improving nutrition habits and outcomes at household level.

Part 2: Irrigation and Water Use Efficiency

2.1. Support for maximizing irrigation efficiency including provision of Matching Grants for small-scale irrigation equipment to farmers in selected Project Areas.

2.2. Provision of training to farmers in the proper use of irrigation equipment and to water user associations on irrigation water management.

Part 3: Market Linkages and Value Addition Investment Support

3.1. Carry out activities aimed at strengthening the technical, institutional, managerial and marketing capacity of farmers organizations and value chain actors, including:

(i) supporting the capacity development of farmers organizations to access business related finance;

(ii) building capacity in post-harvest and in pre-processing;

(iii) providing agriculture sector related training to financial institutions; and

(iv) supporting the development of business plans.

3.2. Carry out activities aimed at improving market linkages, including:
(i) providing Matching Grants to Matching Grant Beneficiaries for the construction of processing facilities and required equipment; and

(ii) supporting the operation and maintenance of those facilities and equipment.

Part 4: Project Management and Technical Assistance

4.1. Provision of support for Project implementation, including for, inter alia, coordination, communication, procurement, financial management, safeguards (including grievance redress) and monitoring and evaluation activities and financing of Incremental Operating Costs.

4.2. Provision of technical assistance to strengthen the capacities of targeted beneficiaries under the Project and to enhance the effectiveness of the Project interventions, including in the areas of: (i) extension services, (ii) nutrition, and (iii) irrigation technologies.
Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall ensure that the Project Implementing Entity shall maintain, throughout Project implementation, the Single Project Implementation Unit ("RAB-SPIU"), led by a Project coordinator and composed of key staff, with qualifications and under terms of reference acceptable to the World Bank, including staff responsible for procurement, financial management, social safeguards, environmental matters, and any other staff as may be agreed with the World Bank, and as further detailed in the PIM. The RAB-SPIU shall be responsible for overall day-to-day Project implementation, including, inter alia, ensuring coordination with key stakeholders, managing the Project’s fiduciary and safeguard aspects (including gender, labor and health and safety aspects), and monitoring and evaluation of Project implementation, as further detailed in the PIM.

2. Prior to initiating the procurement process, the Recipient, through RAP-SPIU, shall submit to the World Bank, for its review and no-objection, the minutes of the approval of the designs of the irrigation schemes to be financed under Part 2 of the Project.

Project Steering Committee (PSC)

3. Not later than three (3) months after the Effective Date, the Recipient shall establish, and thereafter maintain, throughout Project implementation, the PSC, with composition and mandate acceptable to the World Bank, which shall be headed by high-level representatives of MINAGRI and RAB and shall include high level representatives of other stakeholders involved in Project implementation, as further detailed in the PIM. The PSC shall be responsible for, inter alia, providing overall strategic guidance for Project implementation.

B. Project Implementation Manual (PIM)

1. The Recipient shall ensure that the Project Implementing Entity shall carry out the Project in accordance with the PIM, which shall, inter alia, set out detailed guidelines, methods and procedures for the implementation of the Project, including: (i) administration and coordination including placement of necessary human resources; (ii) performance indicators of the Project; (iii) roles and
responsibilities of various government levels (national, district, and province) and agencies in the implementation of the Project; (iv) budget and budgetary control; (v) disbursement procedures and banking arrangements; (vi) financial, procurement and accounting procedures; (vii) internal control procedures; (viii) accounting system and transaction records; (ix) reporting requirements; (x) audit arrangements; (xi) corruption and fraud mitigation measures; (xii) environmental, social, labor and health and safety (including an environmental and social exclusion list and measures designed to prohibit and address instances of gender based violence and sexual exploitation and abuse); (xiii) eligibility criteria for irrigation schemes to be supported under the Project, including in relation to water availability and security of land tenure, and any other relevant environmental and social criteria; and (xiv) such other arrangements and procedures as shall be required for the effective implementation of the Project. The Recipient shall not assign, amend, abrogate or waive any provision of the PIM without prior written approval of the World Bank.

2. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

C. **Subsidiary Agreement**

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

(a) the Recipient’s obligation to provide the proceeds of the Grant to the Project Implementing Entity on terms and conditions satisfactory to the World Bank;

(b) the Project Implementing Entity’s obligation to carry out the Project with due diligence and efficiency, in conformity with appropriate administrative, technical practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement, the PIM and the Matching Grants Manual;

(c) the Project Implementing Entity’s obligation to carry out the Project in accordance with the Anti-Corruption Guidelines;

(d) the Project Implementing Entity’s obligation to procure the goods and services required for the Project and to be financed out of the proceeds of the Grant, in accordance with the provisions of Section III of this Schedule, as said provisions may be further elaborated in the PIM;
(e) The Project Implementing Entity’s obligation to carry out the Project in accordance with the Safeguards Instruments;

(f) the Project Implementing Entity’s obligation to furnish all such information as the Recipient or the World Bank shall reasonably request;

(g) the Project Implementing Entity’s obligation to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Project and the performance of its obligations under the Subsidiary Agreement; and

(h) the Project Implementing Entity’s obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Agreement.

2. The Subsidiary Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Agreement and this Agreement, the latter shall apply.

3. The Recipient shall exercise its rights under the Subsidiary Agreement 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 Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Matching Grants

1. For purposes of the implementation of Parts 2.1 and 3.2(i) of the Project, the Recipient shall cause the Project Implementing Entity to make matching grants (“Matching Grants”) for Sub-projects to beneficiaries (“Matching Grants Beneficiaries”) in accordance with eligibility criteria and procedures set forth in the manual for Matching Grants (“Matching Grants Manual”) and acceptable to the World Bank which shall include the following:

(a) (i) prior to the implementation of any activity under Parts 2.1 and 3.2(i), prepare and adopt the Matching Grants Manual in a manner acceptable to the World Bank; (ii) immediately thereafter, carry out Parts 2.1 and 3.2(i) of the Project in accordance with the requirements set forth in the Matching Grants Manual, including eligibility criteria, selection procedures and implementation condition; and (iii) not assign, amend, abrogate or waive any provision of the Matching Grants Manual without prior written approval of the World Bank. In case of any conflict between the terms of the Matching Grants Manual and those of this Agreement, the terms of this Agreement shall prevail; and
upon selection of a Sub-project pursuant to the criteria and procedures established in the Matching Grants Manual, enter into a standard agreement with each Matching Grants Beneficiary, under terms and conditions acceptable to the World Bank, (the Matching Grants Agreement), including, _inter alia_:

(i) the amount to be provided in the form of a Matching Grant to each Matching Grants Beneficiary under a Matching Grants Agreement, its terms and conditions and a disbursement schedule;

(ii) an amount of co-financing provided by each Matching Grant Beneficiary and/or evaluation of in-kind contribution to the Sub-project, as defined in the Matching Grants Manual;

(iii) the obligation of each Matching Grants Beneficiary to carry out the Sub-project in compliance with the Anti-Corruption Guidelines applicable to recipients of grants proceeds other than the Recipient;

(iv) the obligation of each Matching Grants Beneficiary to carry out each Sub-project in compliance with the Safeguards Instruments and, when applicable, prepare environmental management plans in accordance with the ESMF, in form and substance satisfactory to the World Bank, and to implement said Sub-project in accordance with the relevant environmental management plan;

(v) the obligation of each Matching Grants Beneficiary to report to the Project Implementing Entity on the progress of the implementation of the activity co-financed with the Matching Grants and to enable the Project Implementing Entity, the Recipient and the World Bank, if the World Bank shall so request, to visit the facilities where the Sub-projects are implemented and administered;

(vi) the obligation of each Matching Grants Beneficiary to maintain records and accounts for expenditures incurred and financed with the Matching Grants, and make available such documentation to the Project Implementing Entity, the Recipient and the World Bank, if the World Bank shall so request; and

(vii) the right of Project Implementing Entity to suspend, cancel or request a refund of the Matching Grant or a portion thereof in case of the failure of the Matching Grants Beneficiary to perform any of its obligations under the Matching Grants Agreement.
2. The Recipient shall cause the Project Implementing Entity to exercise its rights and carry out its obligations under each Matching Grants Agreement 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 Recipient shall not assign, amend, abrogate or waive any Matching Grants Agreement or any of its provisions.

E. Service Agreement

1. To facilitate the carrying out of Part 4.2 of the Project, the Recipient shall cause the Project Implementing Entity to enter into a service agreement ("Service Agreement") with a provider ("Service Provider") selected on the basis of terms of reference, qualifications and experience satisfactory to the World Bank.

2. The Project Implementing Entity shall obtain rights adequate to protect the interests of the Recipient and the World Bank, including the right to require the Service Provider to:

   (a) carry out its activities under its Part of the Project 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient, the Project Implementation Manual, and the Safeguards Instruments;

   (b) maintain policies and procedures, adequate to enable the Service Provider to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the activities carried out under its Part of the Project and the achievement of its objectives;

   (c) (A) 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, resources and expenditures related to the activities carried out by the Service Provider under its Part of the Project; and (B) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and furnish promptly to the Recipient and the World Bank the financial statements as so audited;

   (d) enable the Recipient and the World Bank to inspect the activities carried out by the Service Provider under its Part of the Project, their operation
and any relevant records and documents; and prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World shall reasonably request relating to the foregoing; and

(e) refund any or all part of the amount of the Grant then withdrawn, upon the Recipient's determination that such Service Provider has failed to perform any of the Service Provider's obligations under the Service Agreement.

3. The Project Implementing Entity shall ensure that the rights of the Recipient are exercised and its obligations carried out under the Service Agreement 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 Recipient shall not assign, amend, abrogate or waive any of the Service Agreement or any provisions therein.

F. Safeguards

1. The Recipient shall cause the Project Implementing Entity to: (i) carry out, the Project in accordance with the provisions of the Safeguards Instruments; and (ii) ensure that any contracts for civil works under the Project include codes of conduct in form and substance acceptable to the World Bank, detailing measures on environmental, health and safety, labor and preventing and responding to HIV/AIDS, gender-based violence, and violence against children. The Recipient shall cause the Project Implementing Entity to ensure that no provision of the Safeguard Instruments is amended, suspended, abrogated, repealed or waived without the prior written approval by the World Bank.

2. Without limitation to the excluded expenditures provision set forth in the PIM, Matching Grants Manual and/or the Safeguard Instruments, the following activities shall not be eligible to be included in or funded under the Project ("Negative List"):

   (a) activities involving the use of prohibited pesticides listed in the PMP;

   (b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;

   (c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;

   (d) activities involving the financing of the rehabilitation or construction of Large Dams; and
(c) activities involving child or forced labor, as per the national legislation enacted pursuant to the C138 – Minimum Age Convention, the C182 – Worst Forms of Child Labor Convention, and the C029 – Forced Labor Convention.

3. The Recipient shall ensure that all technical assistance under the Project, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the World Bank, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the World Bank’s environmental and social safeguards policies and the Recipient’s own laws relating to the environment and social aspects including, but not limited to, national legislation enacted pursuant its obligations under the C138 – Minimum Age Convention, the C182 – Worst Forms of Child Labor Convention, and the C029 – Forced Labor Convention.

4. The Recipient shall cause the Project Implementing Entity to ensure that employees, agents, service providers, contractors and subcontractors carry out the Project in conformity with acceptable environmental and social standards, practices and codes of conduct (which shall, inter alia, contain measures that prohibit, endeavour to prevent and address Project-related gender based violence and sexual exploitation and abuse), the provisions of the Recipient’s environmental and social laws (including, but not limited to, national legislation enacted pursuant its obligations under the C138 – Minimum Age Convention, the C182 – Worst Forms of Child Labor Convention, and the C029 – Forced Labor Convention), the Safeguard Instruments.

5. If any Project activity would, pursuant to the RPF, require the preparation of a RAP, no such activity shall be implemented, unless: (i) a RAP for such activity has been: (A) prepared in accordance with the requirements of the RPF and furnished to the World Bank; (B) disclosed as required by the RPF; and (C) approved by the World Bank and publicly disclosed; and (ii) (A) all measures required to be taken under said RAP prior to the initiation of said activity have been taken, including, without limitation to the above, providing funds for resettlement compensation at full replacement cost when and if required under a RAP; (B) a report, in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said RAP has been prepared and furnished to the World Bank; and (C) the World Bank has confirmed that the implementation of said activity may be commenced.

6. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the World Bank on a calendar semester basis (or with more frequency or in a separate report whenever the circumstances warrant), reports in form and substance satisfactory to the World Bank, on the status of compliance with the Safeguard Instruments, as part of the Project Reports, giving details of:
(a) measures taken in furtherance of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments; and

(c) remedial measures taken or required to be taken to address such conditions including but not limited to the implementation of a grievance redress mechanism.

7. The Recipient shall, and shall cause to, throughout Project implementation, maintain and publicize the availability of Project-level grievance and feedback and redress mechanism, in a form and substance satisfactory to the World Bank, to hear and determine fairly and in good faith all complaints and feedback raised in relation to the Project, and take all measures necessary to implement the determinations made by said grievance feedback and redress mechanism in a manner satisfactory to the World Bank.

G. Annual Work Plans and Budget

1. Each calendar year, the Recipient shall prepare a draft annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested.

2. The Recipient shall furnish to the World Bank, not later the May 31 of each year, the proposed annual work plans and budgets, as had been approved by the PSC, for the World Bank's review and final approval; except for the first annual work plan and budget for the Project for the first two years of Project implementation, which shall be furnished no later than two (2) months after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the World Bank (each an “Annual Work Plan and Budget”) are eligible to be financed from the proceeds of the Grant.

3. The Recipient shall ensure that the Project is carried out in accordance with the approved Annual Work Plans and Budgets.

H. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 and as of July 1, 2016 ("Anti-Corruption Guidelines").
I. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 semester, 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 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.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank 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.

3. The Recipient shall have its Financial Statements for the Project 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.
Section III. Procurement

All goods, works, non-consulting services and consulting 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 the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated June 19, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 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 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) Goods, works, non-consulting services, consulting services, Training and Operating Costs under the Project except for Parts 2.1 3.2(i) and 4.2</td>
<td>13,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Matching Grants under Parts 2.1 and 3.2(i) of the Project</td>
<td>11,000,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(3) Training under Part 4.2 of the Project</td>
<td>1,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>26,300,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made:

   (a) prior to the date of this Agreement;

   (b) under Category (2), until evidence satisfactory to the Bank has been furnished to the World Bank that the Matching Grants Manual has been adopted in a manner acceptable to the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2023.
APPENDIX


2. "Environmental and Social Management Framework or ESMF" means the Recipient's environmental and social management framework, satisfactory to the World Bank, dated June 3, 2018, describing the environmental mitigation, monitoring and institutional measures under the Project, as the same may be amended from time to time with the World Bank's prior approval.

3. "Environmental and Social Management Plan or ESMP" means any Environmental and Social Management Plan, acceptable to the World Bank and consistent with the ESMF, as may be adopted for the purposes of the Project, which gives details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the ESMF under the Project, along with the procedural and institutional measures needed to implement such actions, measures and policies, including any schedules to such plan, and as such plan may be amended by the Recipient from time to time, with the prior written approval of the World Bank; and "ESMPs" means, collectively, all such plans.

4. "ESIA" means any Environmental and Social Impact Assessment, acceptable to the World Bank, as may be prepared for the Project which gives details of potential environmental, physical cultural property and social risks and adverse impacts associated with any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the World Bank in accordance with Section I.F of Schedule 2 to this Agreement; and "EIAs" means, collectively, all such assessments.

5. "FAO" means Food and Agriculture Organization of the United Nations.

6. "Matching Grant" means a grant to be provided to each Matching Grant Beneficiary from the proceeds of the Grant for the purposes of carrying out activities under Parts 2.1 and 3.2(i) of the Project; and Matching Grants means many such grants.

7. "Matching Grants Agreement" means the agreement to be entered into between the Project Implementing Entity and each Matching Grant Beneficiary for the provision of a Matching Grant, and referred to in Section I.D of Schedule 2 to this Agreement.
8. "Matching Grants Beneficiary" means each men, women and youth in rural households in the Recipient’s territory selected in accordance with the criteria and procedures established in the Matching Grants Manual, which will benefit from the provision of Matching Grants under Parts 2.1 and 3.2(i) of the Project.

9. "Matching Grants Manual" means the manual setting forth the eligibility criteria, selection process of Matching Grant Beneficiaries and activities to be financed under Parts 2.1 and 3.2(i) of the Project (including a negative list of activities).

10. "MINAGRI" or "Ministry of Agriculture and Animal Resources" means the Recipient’s ministry responsible for agriculture and animal resources or any successor thereto.

11. "Operating Costs" means the incremental expenses incurred on account of Project implementation, including office rental fees, equipment maintenance, office maintenance and administration costs, utilities, communication and insurance costs, vehicle operation and maintenance, travel, per diem, salaries of locally contracted employees but excluding salaries of officials of the Recipient's civil service.

12. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated June 19, 2018, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.


14. "Project Area" means one of the areas of Muyanza, Rwanagana-34, Karongi-12, Karongi-13, Kayonza-4, Nyanza-23, Gatsibo-8, and Nyabihu. Situated in the following eight districts: Rulindo, Rwanagana, Karongi, Rutsiro, Kayonza, Nyanza, Gatsibo, and Nyabihu; or any other areas as approved by the World Bank.

15. "Project Implementing Entity” or “PIE” means RAB.

16. "Project Implementing Entity’s Legislation" means the Recipient’s Law No. 14/2017 of 14/04/2017 pursuant to which RAB is established and operating.

17. "Project Implementation Manual” or “PIM” means the manual referred to in Section I.B of this Agreement.

18. "Project Steering Committee” or “PSC” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.

19. “RAB” means the Rwanda Agriculture and Animal Resources Board, a legally independent entity established and operating pursuant to the Project Implementing Entity’s Legislation.
20. "RAB-SPIU" means the single project implementing unit established within RAB.

21. "Resettlement Action Plan" or "RAP" means any resettlement plan acceptable to the World Bank and consistent with the RPF, as may be adopted for the purposes of the Project, which contains, inter alia, a program of actions, measures and policies for compensation and resettlement of any displaced persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and costs estimates and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation, as such plan may be amended by the Recipient from time to time with the prior written approval of the World Bank, and "RAPs" means collectively all such plans.

22. "Resettlement Policy Framework" or "RPF" means the policy framework dated May 23, 2018, prepared by the Recipient, for any involuntary resettlement under the Project outlining general implementation procedures, mitigation measures and monitoring procedures for involuntary resettlement under the Project, including the procedures for the preparation and implementation of RAPs, as said framework may be amended from time to time with the World Bank's prior approval.

23. "Safeguards Instruments" means the ESMF, RPF, ESIAs, ESMPs and RAPs.

24. "Service Agreement" means the service agreement to be executed between the PIE and a Service Provider in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

25. "Service Provider" means FAO.


27. "Sub-project" means a specific agricultural-related project to be carried out by a Matching Grants Beneficiary under Parts 2.1 and 3.2(i) of the Project pursuant to criteria set forth in the Matching Grants Manual.

28. "Subsidiary Agreement" means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity.

29. "Training" means expenditures (other than those for consultants' services) incurred by the Project Implementing Entity to finance the reasonable local and international travel costs (i.e. accommodation, transportation, travel insurance and per diem, inter alia) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing
services, as well as training materials, all for the purposes of, and directly related to, the training activities described in the Project.