Project Agreement

(Feeder Roads Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

RWANDA TRANSPORT DEVELOPMENT AGENCY
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and RWANDA TRANSPORT DEVELOPMENT AGENCY ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of the Signature Date between the REPUBLIC OF RWANDA ("Recipient") and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form 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 Financing Agreement or the General 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 V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — TERMINATION

3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its Director-General.

4.02. For purposes of Section 11.01 of the General Conditions: (a) the Association’s address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: 248423(MCI) or 1-202-477-6391
3.03. For purposes of Section 11.01 of the General Conditions: (a) the Project Implementing Entity’s address is:

Rwanda Transport Development Agency,
KG 563 St., Queen's Land House, First Floor,
Kacyiru
P.O.Box 6674,
Kigali, Rwanda

and

(b) the Project Implementing Entity’s Electronic Address is:

Email: info@rtda.gov.rw
AGREED, as of the latest of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Kasser El-Gamal
Country Manager
December 7, 2017

RWANDA TRANSPORT DEVELOPMENT AGENCY

By

[Signature]
Authorized Representative

Guy Kalisa
Director General
December 7, 2017
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Subsidiary Agreement

1. The RTDA shall enter into an agreement ("Subsidiary Agreement") with the Recipient, under terms and conditions approved by the Association, which shall include the obligation of the Project Implementing Entity to:

   (a) implement 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, the Safeguard Instruments, and in accordance with the provisions of the Financing Agreement and 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 be derived from it), to identify the goods, works and services financed out of the proceeds of the Financing and disclose their use in said parts; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions;

   (e) 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 unaudited financial reports covering each semester, 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 unaudited 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.

2. The RTDA 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 RTDA shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Institutional Arrangements

RTDA

1. The RTDA shall be responsible for overall Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and environmental and social safeguards.

Single Project Implementation Unit

2. The RTDA shall: (a) maintain, within RTDA, throughout Project implementation, the Single Project Implementation Unit (SPIU) comprising the SPIU Coordinator who shall head said Unit, and any such other technical specialists as may be agreed with the Association, all with terms of reference, qualifications and experience satisfactory to the Association; (b) make available to the Association the annual performance assessment of the SPIU individual consultants; and (c) ensure that the SPIU has adequate resources to carry out its responsibilities under the Project.

3. The SPIU shall be responsible for day-to-day Project management and implementation including financial management, procurement and monitoring and evaluation.

District Project Management Team

4. The RTDA shall, throughout Project implementation, ensure that a District Project Management Team is maintained in each Selected District with terms of reference and staffing acceptable to the Association.
5. The District Project Management Team shall be responsible for District-level Project implementation.

C. Project Implementation Manual

1. The RTDA (a) shall carry out the Project in accordance with the Project implementation manual (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 (b) except as the Association 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 this Agreement shall prevail.

D. Annual Work Plan and Budget

1. The RTDA shall, not later than May 31 of each year, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.

2. The RTDA shall exchange views with the Association on each such proposed annual work plan and budget, and thereafter carry out such program of activities for such following Fiscal Year, as shall have been agreed with the Association.

E. District Implementation Agreements

1. To facilitate the implementation of the Project at the District level, the RTDA shall, not later than six (6) months after the Effective Date, enter into implementation agreements with each Selected District detailing mutual responsibilities for the implementation of the Project and detailing other terms and conditions as may be approved by the Association ("District Implementation Agreement"), such terms and conditions to include the obligation of said Selected District to:

(a) implement 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, the Safeguard Instruments, and in accordance with the provisions of the Financing Agreement and 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 be derived from it), to identify the goods, works and services financed out of the proceeds of the Financing and disclose their use in said parts; (ii) furnish such records and information as may be requested by the Recipient, RTDA or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions;

(e) 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, RTDA 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, RTDA 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, RTDA and the Association within two (2) weeks days after the end of such period; and (iv) prepare, and furnish to the RTDA 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, RTDA and the Association not later than two (2) 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, RTDA 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 unaudited financial reports covering each semester, and furnish them to the Recipient, RTDA and the Association not later than two (2) weeks after the end of the period covered by such reports, and provide such other information concerning such unaudited 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, RTDA and the Association to inspect the Project activities within the Selected District’s jurisdiction, their operations and any relevant records and documents; and,

(h) prepare and furnish to the Recipient, RTDA and the Association all such information as the Recipient, RTDA or the Association may reasonably request relating to the foregoing.
2. The RTDA shall exercise its rights and perform its obligations under each District Implementation 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 RTDA shall not assign, amend, abrogate or waive any District Implementation Agreement or any of its provisions.

F. Safeguards.

1. The RTDA shall ensure that the Project is carried out in accordance with the Safeguard Instruments. To this end, the RTDA shall ensure that the following actions are taken, in a prompt manner acceptable to the Association:

(a) If any Project activity would, pursuant to the ESMF: (i) require the carrying out of an ESIA, the Recipient shall ensure that the ESIA for such activity is (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for its prior review and written approval; and (B) disclosed and consulted upon, in a form and manner acceptable to the Association; and (ii) require the preparation of an ESMP, the Recipient shall ensure that such ESMP is (A) prepared in accordance with the ESMF and furnished to the Association for its review and approval; and (B) disclosed and consulted upon, in a manner acceptable to the Association.

(b) If any Project activity would, pursuant to the RPF require the preparation of a RAP, the Recipient shall ensure that: (i) such RAP is prepared in accordance with the RPF and furnished to the Association for its prior review and written approval; (ii) such RAP is disclosed and consulted upon, in a manner acceptable to the Association; and (iii) no civil works under said activity shall be commenced until all measures required to be taken under said RAP, including but not limited to prior payment of full compensation to all Project Displaced Persons, shall have been taken in a form and manner acceptable to the Association.

(c) Each contract for works to be carried out under the Project in the Nyaruguru NRFR2 and Kibeho-Mata-Ruramba roads include a stipulation, satisfactory to the Work Bank, requiring the contractor to follow and apply a procedure for identifying and managing any physical cultural resources encountered unexpectedly during Project implementation and which ensures compliance with the Recipient's relevant requirements of its legislation.

2. Without limitation to its other reporting obligations under this Agreement and under Section 5.08 of the General Conditions, the RTDA shall:

(a) include in the Project Reports referred to in Section II, Part A, paragraph 1 of this Schedule adequate information on the implementation of the Safeguard Instruments, giving details of:

(i) measures taken in furtherance of such Safeguard Instruments;
(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and,
(iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and

(b) afford the Association a reasonable opportunity to exchange views with the Recipient on such Project Reports.

3. The RTDA 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 the Safeguard Instruments and to the Recipient's own laws relating to the environment and social aspects; (ii) in drafting any manuals under the Project, due attention is given to the Safeguard Instruments; and (iii) to this end, the Recipient shall, prior to undertaking each study included in the Project: (A) prepare and furnish the terms of reference for such study to the Association for its review; (B) afford the Association a reasonable opportunity to exchange views with the Recipient on said terms of reference; and (C) promptly finalize such terms of reference as shall have been approved by the Association.

4. The RTDA shall maintain, and publicize the availability of, grievance redress mechanisms to hear and determine fairly and in good faith, all complaints raised in relation to the implementation of the Project by Project affected persons, and take all measures necessary to implement the determinations made under such grievance redress mechanisms in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months, for incorporation in the report referred to in Section 5.08 (b)(ii) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

Section III. Procurement

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

1. The RTDA shall prepare and furnish to the Association, on or before May 31 in each year, or such other date as may be agreed with the Association, a proposed cash flow based maintenance plan for such year, detailing the maintenance works under Parts A (3) A (6) of the Project proposed to be carried out by the RTDA during each quarter of the year and the projected costs associated therewith; and thereafter adopt such cash flow based maintenance plan for such year, taking into account the comments of the Association thereon (“Cash Flow Maintenance Plan”) provided, however, that the Cash Flow Maintenance Plan for the year during which this Financing Agreement becomes effective shall be submitted within thirty (30) days of the Effective Date of the Financing Agreement.

2. For purposes of the Project, the RTDA shall maintain at all times during Project implementation, in Rwandan Francs, in its national bank, a separate account under terms and conditions acceptable to the Association (“Counterpart Fund Account”) into which it shall deposit, at the beginning of each semester, funds in amounts necessary to meet the cost of carrying out Parts A (3) and A (6) of the Project and any resettlement activities, as set forth in the Cash Flow Maintenance Plan.

3. The RTDA shall deposit into the Counterpart Fund Account, not later than ninety (90) days after the Effective Date of the Financing Agreement, an initial advance for purposes of carrying out Parts A (3) and A (6) of the Project and any resettlement activities, as detailed in the Cash Flow Maintenance Plan, and shall thereafter replenish the Counterpart Fund Account taking into account the balance of funds in the account and projected expenditures, at the beginning of each semester, with such amounts as shall be sufficient to cover the cost of carrying out the Project and any resettlement activities during said quarter, all as detailed in the Cash Flow Maintenance Plan.

4. The RTDA shall ensure that funds deposited into the Counterpart Fund Account shall be used exclusively to finance expenditures under the Project and any resettlement activities under Parts A (3) and A (6) of the Project.

5. For purposes of implementing the Parts A (3) and A (6) of Project, the RTDA shall enter into multi-year maintenance contracts, in form and substance satisfactory to the Association, with contractors whose qualifications, experience, and terms of reference shall be satisfactory to the Association.