



CREDIT NUMBER 5784 - RW

Financing Agreement

(Urban Development Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *April 6*, 2016

CREDIT NUMBER 5784-RW

FINANCING AGREEMENT

AGREEMENT dated April 6, 2016, entered into between REPUBLIC OF RWANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to sixty-eight million, nine hundred thousand Special Drawing Rights (SDR 68,900,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are January 15 and July 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) cause Parts A, B, C.1, C.2 and D.1 to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement; and (b) carry out Parts C.3, C.4 and D.2 of the Project through the Ministry of Infrastructure (“MININFRA”) in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
 - (b) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the Association in making the Financing was incorrect in any material respect.
 - (c) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement;
 - (d) IBRD or IDA has suspended in whole or in part the right of the Project Implementing Entity to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Project Implementing Entity to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.
- 4.02. The Additional Events of Acceleration consist of the following-
 - (a) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs.

- (b) The events specified in paragraphs (b), (c), and (d) of Section 4.01 of this Agreement occur and are continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following-
 - (a) The Subsidiary Agreement has been signed on behalf of the Recipient and the Project Implementing Entity.
 - (b) The Recipient has established the Technical Committee on Urban Upgrading and caused the Project Implementation Entity to appoint the Departmental Project Implementation Teams (“DPITs”) in accordance with the provisions of Section I.A of Schedule 2 to this Agreement.
 - (c) The Project Implementing Entity has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is its minister at the time responsible for finance.
- 6.02. The Recipient’s Address is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali, Republic of Rwanda
Facsimile: 250-57-75-81

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

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

REPUBLIC OF RWANDA

By



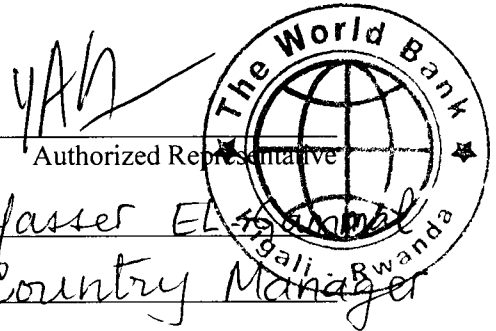
Authorized Representative

Name: Amb. Claver GATETE

Title: Minister of Finance and Economic Planning

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Yasser EL-SAMIR

Title: Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to provide access to basic infrastructure and enhance urban management in selected urban centers of the Participating Districts.

The Project consists of the following parts.

Part A: Provision of Basic Infrastructure in Secondary Cities

Implementing agreed basic infrastructure investments in selected urban centers of the Participating Districts, such investments to include roads, non-motorized transport investments, street lighting, solid waste management investments, sanitation investments, flood mitigation works including storm water drainage structures, upgrading of unplanned settlements and providing support for the design and supervision of the works.

Part B: Upgrading of Unplanned Settlements in the City of Kigali

Implementing agreed infrastructure to upgrade unplanned settlements in the City of Kigali such investments to include roads, non-motorized transport investments, street lighting, flood mitigation works including storm water drainage structures, and providing support for the supervision of the works.

Part C: Technical Assistance for Sustainable Urban Management

C.1. Building Competitive Cities

Carrying out a program of activities to build the ability of the Participating Districts to implement local economic development activities, such activities to include: (a) developing brand vision identity; (b) developing and implementing a marketing and communication plan to attract private investment; (c) developing capacity of the Participating Districts to design, deliver and monitor local economic development activities.

C.2. Support for Managing Urban Infrastructure

Carrying out a program of activities to build the capacity of the City of Kigali and the Participating Districts in urban management, such activities to include: (a) providing technical assistance for the implementation of urban investments; and (b) providing technical assistance for revenue and expenditure management.

C.3. *Strengthening Coordinated Planning and Strategic Decision-Making through GIS based tools*

Strengthening the capacity of the Participating Districts in asset management, strategic planning, coordination and decision making through Geographical Information System (GIS).

C.4 *Support for Scaling up Urban Upgrading*

Providing technical assistance to the Rwanda Housing Authority for the planning and implementation of unplanned settlement upgrading programs.

Part D: Support for Project Management

1. Carrying out of Project implementation, monitoring and evaluation of the Respective part of the Project
2. Carrying out of overall Project coordination and oversight and implementation of Parts C. 3 and C.4 of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Ministry of Infrastructure

1. The Ministry of Infrastructure shall be responsible for overall policy guidance and coordination of the Project.

Project Coordination Unit

2. The Recipient shall: (a) to maintain throughout Project implementation, the Project Coordination Unit (PCU) with terms of reference, staffing and other resources satisfactory to the Association; and (b) assign to the PCU at all times during Project Implementation, a Project coordinator and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.
3. Without limitation on the foregoing, the PCU shall be responsible: (a) overall Project oversight, technical guidance and monitoring and evaluation; (b) day-to-day implementation of Parts C.3, C.4 and D.2 of the Project including financial management and procurement; (c) coordination of the different agencies involved in Project implementation; and (d) Project auditing and reporting.

Project Implementing Entity

4. The Recipient shall maintain the Project Implementing Entity with institutional framework, terms of reference, staffing and other resources satisfactory to the Association. Without limitations upon the generality of Section 3.01 of this Agreement, the Project Implementing Entity shall be responsible for the implementation of Parts A, B, C.1, C.2 & D.1 ("Respective Part of the Project").
5. To ensure the proper implementation of the Respective Part of the Project, the Recipient shall:
 - (a) cause the Project Implementing Entity to: (i) maintain throughout Project implementation, the Single Project Implementation Unit (SPIU) with terms of reference, staffing and other resources satisfactory to the Association; and (ii) assign to the SPIU at all times during Project Implementation, a project coordinator, a financial management specialist, a procurement specialist, a social safeguards specialist, an environmental

safeguards specialist, a local economic development specialist, a management information system specialist, a monitoring and evaluation specialist, and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.

6. Without limitation upon the generality of paragraph 5 of this Section I.A, the SPIU shall be responsible for managing day-to-day implementation of the Respective Part of the Project including procurement, financial management, safeguards management and reporting.

District Project Implementation Teams

7. The Recipient shall: (a) not later than the Effective Date cause the Project Implementing Entity to appoint and thereafter maintain throughout Project implementation in the City of Kigali and each Participating District, a District Project Implementation Team comprising of district level officials necessary for the successful implementation of the Project at the District level and as further detailed in the Project Implementation Manual, all with terms of reference satisfactory to the Association; (b) cause the Project Implementing Entity to avail adequate resources to the District Project Implementation Teams to carry out their responsibilities under this Project.
8. Without limitation upon the provisions of paragraph 7 of this Section, the District Project Implementation Teams shall be responsible for managing District-level Project implementation.

Technical Committee on Urban Upgrading

9. The Recipient shall: (a) not later maintain throughout Project implementation the Technical Committee on Urban Upgrading chaired by a representative from Rwanda Housing Authority and comprising technical staff from MININFRA, the PIE and the Districts; and (b) avail adequate resources to the District Project Implementation Teams to carry out their responsibilities under this Project.
10. Without limitation upon the provisions of paragraph 9 of this Section, the Technical Committee on Urban Upgrading shall be responsible for providing guidance and technical support on the upgrading activities under the Project.

B. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall ensure and cause the Project Implementing Entity to: (a) (i) not later than two (2) months of the Effective Date adopt a Project Implementation Manual containing detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures including measures to strengthen the accountability framework; roles and responsibilities of various agencies in the implementation of Project, allocation criteria, conditions and guidelines for the Sub-Projects, and such other arrangements and procedures as shall be required for the effective implementation of the Project; and (ii) thereafter carry out the Project in accordance with such Project Implementation Manual as shall have been approved by the Association (Project Implementation Manual); 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 conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

Annual Work Plans and Budgets

3. The Recipient shall ensure and cause the Project Implementing Entity to, not later than June 30 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.
4. The Recipient shall ensure and cause the Project Implementing Entity to exchange views with the Association on each such proposed annual work plan, and shall thereafter cause the Project Implementing Entity to adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association (Annual Work Plan and Budget).

C. Subsidiary Agreement

1. To facilitate the carrying out of the Project Implementing Entity's Respective Part of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time under Categories 1 and 2 of the table set forth in Section IV.A.2 of this Schedule available to the Project Implementing Entity under a

subsidiary agreement between the Recipient and the Project Implementing Entity, on a non-reimbursable grant basis, and under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include the obligation of the Project Implementing Entity to-

- (a) implement the Respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, and economic standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement;
- (b) implement the Respective Part of the Project in accordance with the provisions of Section I.F of this Schedule 2 and the Safeguard Instruments;
- (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 Respective Part of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Financing and disclose their use in the Project; (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 Respective Part of the Project for the period of time specified in the General Conditions; and
- (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 Respective Part of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient and 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 Respective Part of the Project, and to achieve its objective, each such report to cover a calendar quarter; (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 Respective part of the Project, and furnish the same to the Recipient and the Association within not later than (6) months after the end of the Project.

- (f) (i) procure all goods and services required under the Respective Part of the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Respective Part of the Project;
 - (g) (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 Respective Part of the Project; (ii) avail the records pertaining to the Respective Part of the Project to external and internal auditors; (iii) prepare as part of the Project Report, interim unaudited financial reports covering each quarter, and furnish them to the Recipient and the Association not later than forty five (45) days after the end of the period covered by such reports, and provide such other information concerning such 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
 - (h) open and maintain a dedicated Project Account, until the completion of the Project, in the National Bank of Rwanda on terms and conditions acceptable to the Association; and ensure that the funds deposited into the Project Account shall be used exclusively to finance the cost of expenditures related to the Project.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any of the Subsidiary Agreements or its provisions therein.

D. Sub-Projects

1. For the purpose of implementing the agreed infrastructure investments under Parts A and B of the Project (“Sub-Projects”), the Recipient shall cause the Project Implementing Entity to provide grants (“Sub-Project Grants”) to the City of Kigali and the Participating Districts in accordance with this Agreement, and the allocation criteria, conditions and guidelines set out in the Project Implementation Manual.

2. The Recipient shall cause the Project Implementing Entity to provide Sub-Project Grants pursuant to a Sub-Project grant agreement between the Project Implementing Entity and each of the City of Kigali and a Participating District, under terms and conditions approved by the Association (“Sub-Project Grant Agreement”) which shall include rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the City of Kigali or a Participating District to use the proceeds of the Sub-Project Grant, or obtain a refund of all or any part of the amount of the Sub-Project Grant then withdrawn, upon the failure of the City of Kigali or the Participating District to perform any of its obligations under the Sub-Project Grant Agreement; and (ii) require the City of Kigali and each of the Participating District to: (A) carry out its Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) carry out the Sub-Project in accordance with the provisions of Section I.F of Schedule 2 to this Agreement and the Safeguards Instruments; (C) provide, promptly as needed, the resources required for the purpose of the Sub-Project; (D) procure the goods, works and services to be financed out of the Sub-Project Grant in accordance with the provisions of this Agreement; (E) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-Project and the achievement of its objectives; (F) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-Project; and (2) at the Association’s or the Project Implementing Entity’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Project Implementing Entity and the Association; (G) enable the Recipient, the Project Implementing Entity and the Association to inspect the Sub-Project, its operation and any relevant records and documents; (H) prepare and furnish to the Recipient, the Project Implementing Entity and the Association all such further information as the Recipient, the Project Implementing Entity or the Association may reasonably request; and (I) open and maintain a dedicated Project Account, until the completion of the Project, in the National Bank of Rwanda on terms and conditions acceptable to the Association; and ensure that the funds deposited into the Project Account shall be used exclusively to finance the cost of expenditures related to the Project.
3. The Recipient shall cause the Project Implementing Entity to exercise its rights and carry out its obligations under each Sub-Project Grant Agreement in such manner as to protect the interests of the Project Implementing Entity and the Association

and to accomplish the purposes of the Sub-Project Grant. Except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-Project Grant Agreement or any of its provisions.

E. Anti-Corruption

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

F. Safeguards.

1. The Recipient shall ensure and cause the Project Implementing Entity to carry out the Respective Part of the Project in accordance with the provisions of the Environmental and Social Management Framework (“ESMF”) and the Resettlement Policy Framework (“RPF”).
2. If any Supplemental Social and Environmental Safeguard Instrument is required under any of the Safeguard Instruments, the Recipient shall ensure and cause the Project Implementing Entity to:
 - (a) Prepare: (i) such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable Safeguard Instrument; (ii) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (iii) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activities ; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.
3. The Recipient shall ensure and cause the Project Implementing Entity to ensure that all technical assistance under the Respective Part of the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Association’s environmental and social safeguard policies and the Recipient’s own laws relating to the environment and social aspects.
4. If any activity under the Project would involve Affected Persons, the Recipient shall ensure and for the Respective Part of the Project, cause the Project Implementing Entity to: (i) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Social and Environmental Safeguard

Instrument prepared in accordance with the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (ii) provide from its own resources, any financing required for any measures under sub-paragraph (i) above including any costs associated with land acquisition required for the Project.

5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguard Instrument, ensure and for the Respective Part of the Project cause the Project Implementing Entity to regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Safeguard Instrument including the related Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:
 - (a) measures taken in furtherance of the Safeguards Instruments including the related 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 related Supplemental Social and Environmental Safeguard Instruments; and
 - (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure and for the Respective Part of the Project, cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of six (6) months and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall ensure and cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall ensure and cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-

consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Limited International Bidding
(b) National Competitive Bidding
(c) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association and set out in the Project Implementation Manual
(d) Shopping
(e) Procurement from UN Agencies
(f) Direct Contracting

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-based Selection
(b) Least Cost Selection
(c) Fixed Budget Selection
(d) Selection based on Consultants' Qualifications

Procurement Method
(e) Single-source Selection of consulting firms
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Single-source procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in (SDR))	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Sub-Project Grants and consultants' services under Parts A and B of the Project	65,200,000	100%
(2) Goods, consultants' services, non-consulting services, Training and Operating Costs under Parts C.1, C.2 and D.1 of the Project	3,000,000	100%
(3) Goods, consultants services, non-consulting services, Training and Operating Costs under Parts C.3, C.4 and D.2 of the Project	700,000	100%
TOTAL AMOUNT	68,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed SDR 80,000 may be made for payments made prior to this date but on or after February 15, 2016 for Eligible Expenditures under Categories 2 and 3 of the Project.
2. The Closing Date is June 30, 2021.

SCHEDULE 3
Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each July 15 and January 15, commencing July 15, 2022 to and including January 15, 2054	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Definitions

1. “Abbreviated Resettlement Action Plan” and “ARAP” means a simplified plan approved by the Association for the Project, prepared by the Project Implementing Entity on the basis of the RPF, setting out specific resettlement activities to be implemented to offset the resettlement impacts of a specific Project activity, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultations and disclosure requirements carried out on the RPF.
2. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood
3. “Annual Work Plan and Budget” means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.B.3 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.
4. “Anti-Corruption Guidelines” means 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.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “City of Kigali” means the Recipient’s capital city and administrative unit established and operating pursuant to Organic Law No. 29/2005 of 23/12/2005.
7. “Consultant Guidelines” means 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).
8. “District” means an administrative subdivision of the Recipient, established pursuant to its Organic Law No.29/2005 of December 31, 2005.
9. “District Project Implementation Team” means the Recipient’s Project implementation team at the City of Kigali and District level with institutional framework and staffing acceptable to the Association, and responsible for

implementing the Project at the City of Kigali and the District level and referred to in Section I.A.7 of Schedule 2 to the Agreement.

10. “Environmental and Social Impact Assessment” and “ESIA”, means an assessment acceptable to the Association, prepared pursuant to the ESMF identifying and assessing the potential environmental and social impacts of proposed Project activities, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures; and “ESIAs” means, collectively, all such assessments.
11. “Environmental and Social Management Framework” and “ESMF” means the framework dated January 2016 in form and substance satisfactory to the Association, prepared by the Project Implementing Entity, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
12. “Environmental and Social Management Plan” and “ESMP” means a plan in form and substance satisfactory to the Association, prepared and adopted by the Project Implementing Entity pursuant to the ESMF, providing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts under the Project, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
13. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
15. “Local Administrative Entities Development Agency” and “LODA” means the agency of the Recipient established under Law No. 62/2013 of 27/08/2013 with the mandate to promote and oversee development activities in local administrative entities, or its legal successor thereto.
16. “Ministry of Infrastructure” and “MININFRA” means the Recipient’s ministry responsible for urban development.
17. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs,

utilities, office rental, consumables, accommodation, salaries and local and international travel costs of Project staff (excluding the salaries of the Recipient's civil service).

18. "Participating Districts" means the Recipient's Districts of Huye, Muhanga, Musanze, Nyagatare, Rubavu and Rusizi in which the corresponding selected urban centers are located, and 'Participating District' means each one of them.
19. "Procurement Guidelines" means 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).
20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 23, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. "Project Coordination Unit" and "PCU" means a unit within MININFRA designated to take on the day-to-day implementation of Parts C.3, C.4 and D.2 of the Project as well as the overall coordination and monitoring and evaluation responsibilities under the Project and referred to in Section I.A.2 of Schedule 2 to this Agreement.
22. "Project Implementing Entity" or "PIE" means the Local Administrative Entities Development Agency.
23. "Project Implementing Entity's Legislation" means Law No. 62/2013 of 27/08/2013, pursuant to which the Project Implementing Entity is established and operating.
24. "Resettlement Action Plan" and "RAP" means a plan approved by the Association for the Project, prepared by the Project Implementing Entity on the basis of the RPF, setting out specific resettlement activities to be implemented to offset the resettlement impacts of a specific Project activity, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultations and disclosure requirements carried out on the RPF.
25. "Resettlement Policy Framework" and "RPF" mean a framework in form and substance acceptable to the Association dated January 2016, prepared by the Recipient and outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior

written consent of the Association, and such term includes any schedules to such document.

26. “Rwanda Housing Authority” means the Recipient’s agency responsible for promoting national housing, urbanization, construction and asset management policies and established and operating pursuant to Law No 40/2010 of 25/11/2010.
27. “Safeguards Instruments” means the ESMF and the RPF and the term in singular form means each one of them.
28. “Single Project Implementation Unit” or “SPIU” means the unit within the Project Implementing Entity responsible for the day- to-day implementation of the Respective Part of the Project and referred to in Section I.A.5 of Schedule 2 to this Agreement.
29. “Sub-Project” means the urban investments acceptable to the Association to be implemented by the City of Kigali or the Participating Districts and which meet the criteria set out in the Project Implementation Manual and referred to in Section I.D of Schedule 2 to this Agreement.
30. “Sub-Project Grant” means a grant financing made or proposed to be made by the Project Implementing Entity out of the proceeds of the financing to the City of Kigali or the Participating District for the purpose of financing a Sub-Project and referred to in Section I.D of Schedule 2 to this Agreement.
31. “Sub-Project Grant Agreement” means an agreement acceptable to the Association to be entered into between the Project Implementing Entity and each of the City of Kigali and the Participating District for the provision of a Sub-Project Grant, and referred to in Section I.D of Schedule 2 to this Agreement.
32. “Subsidiary Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement entered into between the Recipient and the Project Implementing Entity.
33. “Supplemental Social and Environmental Safeguard Instruments” means the ESIA, ESMP, RAP, ARAP or other supplemental social and environmental safeguard instrument prepared pursuant to the ESMF or RPF.
34. “Technical Committee on Urban Upgrading” means the Recipient’s committee acceptable to the Association established for purposes of providing technical guidance on upgrading activities under the Project and referred to in Section I.A.9 of Schedule 2 to this Agreement.
35. “Training” means the costs of training under the Project, based on the Annual Work Plans and Budgets referred to in Section I.B.3 of Schedule 2 to this

Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with local and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.