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CREDIT NUMBER 5721-RW

**Financing Agreement**

(Great Lakes Trade Facilitation Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 26, 2015

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**CREDIT NUMBER 5721-RW**

**FINANCING AGREEMENT**

AGREEMENT dated October 26, 2015, 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 eighteen million seven hundred thousand Special Drawing Rights (SDR 18,700,000) (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 the provisions of 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 June 1 and December 1 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 carry out Parts 2(a), 2(b), 3(a)(i)A, 3(a)(ii), 3(b)(i)(A), 3(b)(ii), 3(b)(iii), 4(a) and 4(b) of the Project through MINICOM, and cause: Parts 1(a)(ii) and 1(d)(ii) of the Project to be carried out by RTDA; Part 1(b)(ii) of the project to be carried out by LODA; and Part 1(c) of the Project to be carried out by RCAA; all 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 Event of Suspension consists of the following, namely, that any of 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 relevant Project Implementing Entity to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has established the Project Steering Committee, in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement; and
  - (b) the Subsidiary Agreements have been executed on behalf of the Recipient and each of the Project Implementing Entities.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreements have been duly authorized or ratified by the Recipient and the Project Implementing Entities and are legally binding upon the Recipient and the Project Implementing Entities in accordance with their 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 responsible for finance.

- 6.02. The Recipient's Address is:

Ministry of Finance and Economic Planning  
P. O. Box 158  
Kigali  
Rwanda

Cable:	Telex:	Facsimile:
MINFIN-RWANDA MINFIN-RWA	22687	(250) 252 57 75 81

- 6.03. The Association's Address is:

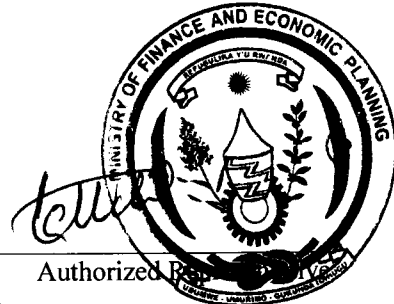
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

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

REPUBLIC OF RWANDA

By



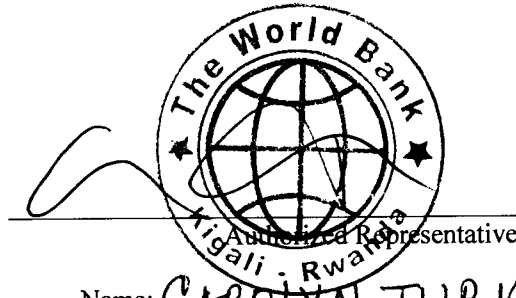
Authorized Representative

Name: Amb. CLAVER GATETE

Title: MINISTER OF FINANCE AND  
ECONOMIC PLANNING

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: CAROLYN TURK

Title: COUNTRY MANAGER

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands.

The Project consists of the following parts:

#### **Part 1. Improving Core Trade Infrastructure and Facilities in the Border Areas**

- (a) Supporting rehabilitation and/or construction of core infrastructure and related facilities at the following priority border posts: (i) Petite Barriere (Goma), Ruzizi I (Bukavu), Bunagana and Kasindi in the Democratic Republic of Congo ("DRC"); (ii) Rusizi I in the Recipient's territory; and (iii) Mpondwe and Bunagana in Uganda, (collectively, "Subprojects").
- (b) Carrying out of comprehensive feasibility and related studies as well as associated environmental and social due diligence, preparation of detailed designs and construction of markets in priority border locations in: (i) the DRC; (ii) the Recipient's territory; and (iii) Uganda (collectively, "Subprojects").
- (c) Supporting rehabilitation of priority facilities at Kamembe Airport in the Recipient's territory, in particular: (i) acquisition and installation of essential navigational aids such as GNSS and VOR/DME designed to support precision and non-precision landings, respectively, and appropriate aeronautical ground lighting; (ii) acquisition and installation of essential meteorological and communication systems consisting of an Aeronautical Message Handling System, an automatic weather station and a Digital Aeronautical Information Management; (iii) construction of an airport perimeter fence consistent with ICAO standards; and (iv) construction of a cargo warehouse facility.
- (d) Carrying out of comprehensive feasibility studies and associated environmental and social due diligence and preparation of detailed designs for development of: (i) two border posts in Kavimvira and Mahagi, respectively; Kalemie Port and Uvira Port on Lake Tanganyika, respectively; and Kavumu Airport, all in the DRC; (ii) Rusizi I border post in the Recipient's territory; and (iii) Goli border post in Uganda.

**Part 2. Implementation of Policy and Procedural Reforms and Capacity Building to Facilitate Cross-Border Trade in Goods and Services**

- (a) Carrying out of a pilot program of actions designed to facilitate consistent and transparent application of basic customs and immigration rules and regulations and to enforce basic rights and obligations of cross-border traders and of customs and immigration officials, respectively, at the Targeted Border Crossings, in particular:
  - (i) Supporting: (A) implementation of the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; (B) identification and simplification of key customs and immigration requirements and procedures governing small-scale trade in services in priority sectors, including, *inter alia*, health and education; (C) acquisition and installation of appropriate ICT systems consisting of, *inter alia*, hardware/ infrastructure, software, internet connectivity, local area networks, voice communication systems and telephony, all with a view to facilitating implementation of key reforms; and (D) dissemination of information and implementation of COMESA's Simplified Trade Regime.
  - (ii) (A) Strengthening the capacities of existing joint border committees; and (B) supporting establishment and operationalization of joint border committees, all with a view of enhancing inter-agency cooperation and accountability as well as facilitating consultations with various stakeholders on key reforms.
  - (iii) Supporting the design and implementation of an appropriate information, education and communications strategy on, *inter alia*, COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders at the local and national levels.
- (b) Design and delivery of customized training programs at the national level based on the regional training framework referred to in Part 2(c) below (including, *inter alia*, appropriate training materials) designed to strengthen the capacities of, *inter alia*, border officials for effective and transparent delivery of services, as well as traders and traders associations on their respective rights and obligations.
- (c) Supporting: (i) establishment and operationalization of new trade information desks and or strengthening the capacities of existing trade

information desks, as the case may be, all with a view to facilitating, *inter alia*, the implementation of COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; (ii) establishment and operationalization of a COMESA trade information desk coordination office; (iii) designing and implementing an appropriate regional information, education and communications strategy on, *inter alia*, COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; and (iv) designing and delivering a customized regional training framework and training program as well as coordination of related national training programs, all with a view to facilitating small scale cross border trade activities.

### **Part 3. Performance Based Management in Cross Border Administration**

- (a) Provision of technical advisory services for: (i) carrying out of a comprehensive functional review of organizational structures, capacities, performance, institutional effectiveness and efficiency (including, *inter alia*, staffing skills and levels, management structures, roles of officials, supervisory and accountability structures, human resources and performance management) of priority customs and immigration offices, in particular the: (A) Recipient's RRA (Customs) and Directorate General of Immigration and Emigration; (B) the DRC's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) Uganda Revenue Authority (Customs) and Directorate of Citizenship and Immigration Control, so as to identify gaps and make recommendations for improvement; and (ii) design and implementation of appropriate change management coaching programs.
- (b) (i) Carrying out of a comprehensive review of performance based management systems (including, review of applicable indicators and evaluation mechanisms) in the: (A) Recipient's RRA (Customs) and Directorate General of Immigration and Emigration; (B) the DRC's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) Uganda Revenue Authority (Customs) and Directorate of Citizenship and Immigration Control, so as to identify gaps and make recommendations for improvement, all through the provision of technical advisory services and training; (ii) supporting implementation of recommendations (including, *inter alia*, the design and implementation of appropriate performance incentive mechanisms) following said review; and (iii) implementation of third party monitoring mechanisms including, *inter alia*, perception surveys and web tools, all



designed to evaluate quality of service delivery at border posts renovated and/or constructed under Part 1(a) above.

**Part 4. Implementation Support, Communication, Monitoring and Evaluation**

- (a) (i) Strengthening the capacity of Implementing Agencies for overall coordination, day to day implementation (including, *inter alia*, procurement, financial management, monitoring and evaluation and reporting) and oversight of Project activities and results; and (ii) developing and implementing an information, education and communications strategy for the Project.
- (b) Development and implementation of robust monitoring and evaluation mechanisms for the Project (where relevant based on regional standards) including: (i) monitoring and evaluation methodologies and appropriate indicators; (ii) strengthening the capacities of M&E Agencies for data collection and recording; (iii) carrying out of periodic surveys and impact evaluations; and (iv) piloting the use of appropriate information technology applications, systems and platforms for collection, reporting and transmittal of data from priority border posts.
- (c) Supporting the regional coordination, facilitation, and standardization of small-scale cross-border trade data collection, monitoring and reporting, as well as Project monitoring and evaluation activities, including through: (i) development of standards and best-practices for data collection and reporting; (ii) convening of regional workshops and seminars for peer-to-peer learning and sharing of best practices; (iii) development and implementation of information technology systems and software platforms for data collection and reporting; and (iv) development of a regional online outlet for data reporting.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Institutional and Implementation Arrangements**

##### **A. Institutional Arrangements**

##### **1. MINICOM**

- (a) The Recipient shall designate, at all times during the implementation of the Project, the MINICOM, to be responsible for overall oversight and implementation of activities under Parts 2(a), 2(b), 3(a)(i)A, 3(a)(ii), 3(b)(i)(A), 3(b)(ii), 3(b)(iii), 4(a) and 4(b) of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said MINICOM to perform said functions.
- (b) Without limitation upon the provisions of sub-paragraph (a) immediately above, the Recipient shall: (i) designate, at all times during the implementation of the Project, the SPIU within MINICOM to be responsible for prompt and efficient day-to-day implementation, planning, management and coordination of activities under said Parts 2(a), 2(b), 3(a)(i)A, 3(a)(ii), 3(b)(i)(A), 3(b)(ii), 3(b)(iii), 4(a) and 4(b) of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said SPIU to perform said functions, and to this end; (ii) by no later than three (3) months after the Effective Date, appoint a procurement specialist, an environmental safeguards specialist, a social development specialist, a monitoring and evaluation specialist, a trade specialist, a finance manager, an accountant, an internal auditor and an administrative assistant for the SPIU, all in accordance with the provisions of Section III of this Schedule 2.

##### **2. Project Steering Committee; Regional Coordination Committee**

Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall: (a) establish, and thereafter maintain at all times during the implementation of the Project, the Project Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*, providing strategic and policy guidance on matters relating to the Project; and (b) designate a representative for the Regional Coordination Committee.

**3. Rwanda Civil Aviation Authority (“RCAA”)**

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall: (a) designate, at all times during the implementation of the Project, RCAA to be responsible for prompt and efficient oversight and management of the implementation of activities under Part 1(c) of the Project, and shall take all actions, including the provision of funding, personnel (including an airport ground lighting specialist and a navigational aids expert) and other resources, necessary to enable RCAA to implement said activities, and to this end; (b) by no later three (3) months after the Effective Date, appoint a civil engineer for RCAA, in accordance with the provisions of Section III of this Schedule 2.

**4. Rwanda Transport Development Agency (“RTDA”)**

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall designate, at all times during the implementation of the Project, RTDA to be responsible for prompt and efficient oversight and management of the implementation of activities under Parts 1(a)(ii) and 1(d)(ii) of the Project, and shall take all actions, including the provision of funding, personnel and other resources, necessary to enable RTDA to implement said activities.

**5. Rwanda Local Development Agency (“LODA”)**

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall: (a) designate, at all times during the implementation of the Project, LODA to be responsible for prompt and efficient oversight and management of the implementation of activities under Part 1(b)(ii) of the Project, and shall take all actions, including the provision of funding, personnel and other resources, necessary to enable LODA to implement said activities, and to this end; (b) by no later than three (3) months after the Effective Date, appoint a civil engineer, a procurement specialist and accountant for LODA, all in accordance with the provisions of Section III of this Schedule 2.

**B. Subsidiary Agreements**

1. In order to achieve the objectives of Part 1 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Categories (1), (2), and (3), respectively, of the table set forth in Section IV.A.2 of this Schedule available to the respective Project Implementing Entities under respective subsidiary agreements between the Recipient and each Project Implementing Entity (“PIE”), under terms and conditions approved by the Association, which shall include:

- (a) the principal amount of the Credit made available under the Subsidiary Agreement ("Subsidiary Financing") shall be denominated in Dollars;
  - (b) the Subsidiary Financing shall be made available on a non-refundable grant basis; and
  - (c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the PIE to use the proceeds of the Subsidiary Financing, or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the PIE's failure to perform any of its obligations under the subsidiary agreement; and (ii) require the PIE to: (A) carry out its Respective 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 Association, including in accordance with the Safeguard Instruments, this Agreement, and the provisions of Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, non-consulting services and services to be financed out of the Subsidiary Financing in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its Respective Part of the Project and the achievement of its objectives; (E) (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 its Respective Part of the Project; and (2) at the Association's or the Recipient'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 Recipient and the Association; (F) enable the Recipient and the Association to inspect its Respective Part of the Project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing ("Subsidiary Agreement").
2. The Recipient shall exercise its rights under each 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 any of their provisions.

**C. Implementation Arrangements**

**1. Project Implementation Manual**

- (a) By no later than three (3) months after the Effective Date, the Recipient shall prepare, in accordance with terms of reference acceptable to the Association and furnish to the Association for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project, including a financial management manual for LODA; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) guidelines for carrying out of Subprojects (including Safeguard Instruments applicable to said Subprojects), including, *inter alia*, the eligibility criteria and detailed procedures for the selection, approval and implementation of said Subprojects; (ix) guidelines for assessing potential environmental and social impacts of the Project (including said Subprojects) and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association ("Project Implementation Manual").
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

**2. Annual Work Plan and Budget**

- (a) The Recipient shall prepare and furnish to the Association not later than two (2) months prior to the start of each calendar year during the implementation of the Project, a work plan and budget containing all activities (including Subprojects) proposed to be included in the Project during the following calendar year (including Safeguard Instruments applicable to said activities), and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.
- (b) Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget, and thereafter ensure that the Project is implemented with due diligence during said following calendar year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

**D. Anti-Corruption**

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

**E. Sub-projects under Parts 1(a)(ii) and 1(b)(ii) of the Project**

Each Subproject shall be eligible for financing upon the Recipient's determination, on the basis of an appraisal conducted in accordance with the criteria, guidelines and detailed procedures set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified in the Project Implementation Manual, which criteria shall, *inter alia*, include the following:

- 1. the Subproject shall be appraised on the basis of an environmental and social assessment and other guidelines acceptable to the Association (and be

accompanied by appropriate Safeguard Instruments, if required pursuant to the Safeguard Frameworks);

2. the Subproject shall be designed to avoid any involuntary resettlement of persons or loss of their income or productive capacity;
3. the Subproject and the associated Safeguard Instruments, if any, shall be approved by the Recipient and the Association, unless with respect to the Association's approval, the Association has notified the Recipient in writing that its prior approval is not required; and
4. the Subproject shall be included in the Annual Work Plan and Budget.

**F. Safeguards**

1. The Recipient shall: (a) ensure that the Project is carried out in accordance with the Safeguard Frameworks and Safeguard Instruments; (b) ensure that all measures required for carrying out the requirements of said Safeguard Frameworks and Safeguard Instruments are taken in a timely manner; and (c) not amend, suspend, abrogate, repeal or waive any provision of any of the Safeguard Frameworks and Safeguard Instruments, without the prior written approval of the Association. To this end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the Association:
  - (a) prior to commencing civil works for any activity under the Project, if such activity would, pursuant to the ESMF: (i) require the carrying out of an ESIA, the Recipient shall ensure that an ESIA for such activity is: (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for review and approval; and (B) disclosed as required by the ESMF and approved by the Association; and (ii) require the preparation of an ESMP, the Recipient shall ensure that such ESMP is prepared in accordance with the ESMF and furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association; and
  - (b) if any activity under the Project would, pursuant to the RPF, require the preparation of a RAP, the Recipient shall ensure that: (i) said RAP shall be prepared in accordance with the requirements of the RPF, furnished to the Association for review and approval, and disclosed as required by the RPF and approved by the Association; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken.

2. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Frameworks and Safeguard Instruments, giving details of: (a) measures taken in furtherance of such Safeguard Frameworks and Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Frameworks and Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Frameworks and Safeguard Instruments.
3. The Recipient shall ensure that all terms of reference for any technical assistance and studies to be carried out under the Project are prepared in form and substance satisfactory to the Association and taking into account appropriate environmental and social safeguards measures.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Recipient shall 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 indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association and COMESA not later than forty-five (45) days after the end of the period covered by such report.
2. The Recipient shall, not later than two (2) months prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.
4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming



noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

**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. The Recipient shall 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 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 (1) 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.
4. The Recipient shall, not later than three (3) months after the Effective Date, acquire and install in RCAA, and provide training on the use of, accounting software with specifications satisfactory to the Association, and shall thereafter maintain at all times during the implementation of the Project, such accounting software in a manner satisfactory to the Association.

**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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and (e) 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least-Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) 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:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Parts 1(a)(ii) and 1(d)(ii) of the Project	800,000	100%
(2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Part 1(b)(ii) of the Project	3,600,000	100%
(3) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Part 1(c) of the Project	10,200,000	100%
(4) Goods, non-consulting services, consultants' services, Training and Operating Costs for Parts 2(a), 2(b), 3(a)(i)A, 3(a)(ii), 3(b)(i)(A), 3(b)(ii), 3(b)(iii), 4(a) and 4(b) of the Project	4,100,000	100%
<b>TOTAL AMOUNT</b>	<b>18,700,000</b>	

**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.
2. The Closing Date is December 31, 2020.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each June 1 and December 1, commencing December 1, 2021, to and including June 1, 2053	<b>1.5625%</b>

\* 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. “Aeronautical Message Handling System” means an aeronautical message handling system, a standard defined by ICAO for aeronautical ground-ground communications.
2. “Affected Person” means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) 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 an annual work plan and budget referred to in Section I.C.2 of Schedule 2 to this Agreement.
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. “Central Bank of Rwanda” means the Central Bank of Rwanda, established and operating pursuant to Law No. 55/2007 of 30/11/2007 of the laws of the Recipient, governing the Central Bank of Rwanda; or any successor thereto.
7. “COMESA” means the Common Market for Eastern and Southern Africa, established pursuant to the COMESA Treaty signed on November 5, 1993, and registered with the United Nations through Serial No. 1-26691.
8. “COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders” means the COMESA Regulations on the Minimum Standards for the Treatment of Small-Scale Cross-Border Traders, as set forth in Annex 3 of the Official Gazette of COMESA, dated December 9, 2014.
9. “COMESA’s Simplified Trade Regime” means the Simplified Trade Regime, the simplified customs clearance procedures established and adopted by COMESA for small-scale cross border traders, as set forth in the Official Gazette of COMESA, dated November 6, 1999.

10. “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).
11. “Digital Aeronautical Information Management” means a digital aeronautical information management system for the digital exchange of air traffic management information.
12. “Direction General de la Migration (DGM)” means the Direction General de la Migration of the DRC, under Ministry of the Interior of the DRC; or any successor thereto.
13. “Direction General des Douanes des Assises (DGDA)” means the Direction General des Douanes des Assises (DGDA) of the DRC, under the Ministry of Finance of the DRC, or any successor thereto.
14. “Directorate General of Immigration and Emigration” means the Directorate General of Immigration and Emigration, under the Recipient’s National Intelligence and Security Service; or any successor thereto.
15. “Directorate of Citizenship and Immigration Control” means the Directorate of Citizenship and Immigration Control of Uganda, under the Office of the President; or any successor thereto.
16. “DRC” means the Democratic Republic of Congo.
17. “ESIA” means an environmental and social impact assessment to be prepared by the Recipient pursuant to the ESMF, in each case identifying and assessing the potential environmental and social impacts of a proposed Project activity; and “ESIAs” means more than one such ESIA, as such ESIAs may be amended from time to time with the prior written agreement of the Association.
18. “ESMF” means the Recipient’s Environmental and Social Management Framework, acceptable to the Association, and disclosed in country on June 29, 2015, and in the Association’s *InfoShop* on July 1, 2015, detailing: (a) the guidelines, procedures and timetables for carrying out of ESIAs under the Project; (b) the measures to be taken during the implementation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, including the guidelines, procedures and timetables for the preparation of ESMFs under the Project; and (c) the actions needed to implement these measures, including monitoring and evaluation, and institutional strengthening; as such ESMF may be amended from time to time with the prior written agreement of the Association.

19. “ESMP” means an environmental and social management plan to be prepared by the Recipient pursuant to the ESMF, in each case setting forth appropriate mitigation, monitoring and institutional measures designed to mitigate the potential adverse environmental and social impacts of a proposed Project activity; and “ESMPs” means more than one such ESMP, as such ESMPs may be amended from time to time with the prior written agreement of the Association.
20. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
21. “GNSS” means a global navigation satellite system.
22. “ICAO” means the International Civil Aviation Organization, a United Nations specialized agency established pursuant to the Convention on International Civil Aviation (Chicago Convention) signed on December 7, 1944.
23. “ICT” means information communication technology.
24. “Implementing Agencies” means, collectively, LODA, MINCOM, RCAA, and RTDA, and “Implementing Agency” means any one such agency.
25. “LODA” means the Local Administrative Entities Development Agency, established and operating pursuant to Law No. 62/2013 of 27/08/2013 of the laws of the Recipient, establishing the Local Administrative Entities Development Agency (LODA) and determining its mission, organization and functioning; or any successor thereto.
26. “M&E Agencies” means MINICOM, the Central Bank of Rwanda, and the National Statistics Office.
27. “MINICOM” means the Ministry of Trade and Industry, the Recipient’s ministry responsible for trade and industry; or any successor thereto.
28. “National Statistics Office” means the Recipient’s National Institute of Statistics, established and operating pursuant to Law No. 53bis/2013 of 28/06/2013 of the laws of the Recipient, establishing the National Institute of Statistics of Rwanda and determining its mission, organization, and functioning; or any successor thereto.
29. “Operating Costs” means the reasonable expenses incurred by the Implementing Agencies on account of Project implementation, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.C.2 of Schedule 2 to this Agreement, including: expenditures for maintenance of equipment, facilities and vehicles used for Project implementation, fuel, routine repair and maintenance of equipment, vehicles and office premises, communication costs, use



of internet costs, stationery and other office supplies, utilities used for Project implementation, consumables, travel per diems, accommodation expenses, workshop venues and materials, and costs of translation, printing, photocopying and advertising, but excluding salaries, top-ups, honoraria, or allowances of the Recipient's civil servants.

30. "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).
31. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 4, 2015, 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.
32. "Project Implementing Entities" and "PIEs" means, collectively, LODA, RCAA, and RTDA; and "Project Implementing Entity" and "PIE" mean any one such entity.
33. "Project Implementing Entity's Legislation" means, with respect to: (a) LODA, Law No. 62/2013 of 27/08/2013 establishing the Local Administrative Entities Development Agency (LODA) and determining its mission, organization and functioning; (b) RCAA, Law No. 53/2011 of 14/12/2011 establishing Rwanda Civil Aviation Authority (RCAA) and determining its mission, organization and functioning; and (c) RTDA, Law No. 02/2010 of 20/01/2010, establishing Rwanda Transport Development Agency (RTDA) and determining its mission, organization and functioning; in each case, of the laws of the Recipient.
34. "Project Implementation Manual" means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement.
35. "Project Steering Committee" means the Recipient's Project Steering Committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
36. "RAP" means a resettlement action plan to be prepared by the Recipient pursuant to the RPF, describing, for a proposed Project activity, the compensation and other resettlement assistance to be provided, consultation to be conducted with Affected Persons, institutional responsibilities for the implementation, procedures for grievance redress, and arrangements for monitoring and evaluation; and "RAPs" means more than one such RAP, as such RAPs may be amended from time to time with the prior written agreement of the Association.
37. "RCAA" means the Rwanda Civil Aviation Authority, established and operating pursuant to Law No. 53/2011 of 14/12/2011 of the laws of the Recipient,

establishing Rwanda Civil Aviation Authority (RCAA) and determining its mission, organization and functioning; or any successor thereto.

38. "Regional Coordination Committee" means the regional coordination committee for the Project, consisting of representatives from each of DRC, the Recipient, Uganda and COMESA.
39. "Respective Part of the Project" means, with respect to: (a) RTDA, Parts 1(a)(ii) and 1(d)(ii) of the Project; (b) LODA, Part 1(b)(ii) of the Project, and (c) RCAA, Part 1(c) of the Project.
40. "RPF" means the Recipient's Resettlement Policy Framework, acceptable to the Association and disclosed in country on June 29, 2015, and in the Association's *InfoShop* on July 1, 2015, detailing the guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Affected Persons, and for the preparation and implementation of RAPs; as such RPF may be amended from time to time with the prior written agreement of the Bank.
41. "RRA (Customs)" means the Rwanda Revenue Authority, established and operating pursuant to Law No. 08/2009 of 27/04/2009 of the laws of the Recipient, determining the organization, functioning and responsibilities of Rwanda Revenue Authority; or any successor thereto.
42. "RTDA" means the Rwanda Transport Development Agency, established and operating pursuant to Law No. 02/2010 of 20/01/2010, establishing Rwanda Transport Development Agency (RTDA) and determining its mission, organization and functioning, of the laws of the Recipient; or any successor thereto.
43. "Safeguard Frameworks" means, collectively, the ESMF and the RPF; and "Safeguard Framework" refers to any one such framework.
44. "Safeguard Instruments" means, collectively, the ESIAs, the ESMPs, the RAPs; and "Safeguard Instrument" means any one such instrument.
45. "SPIU" means the Recipient's Single Project Implementation Unit, under MINICOM.
46. "Subprojects" means, collectively, subprojects referred to under Parts 1(a) and 1(b) of the Project; and "Subproject" refers to one such subproject.
47. "Subsidiary Agreement" means understanding subsidiary agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall

make part of the proceeds of the Financing available to a Project Implementing Entity; and “Subsidiary Agreements” means more than one such agreement.

48. “Subsidiary Financing” means the amount of the Credit to be made available to a Project Implementing Entity, and referred to in Section I.B of Schedule 2 to this Agreement.
49. “Targeted Border Crossings” means the following border crossings: (a) Mahagi (DRC) and Goli (Uganda); (b) Kasindi (DRC) and Mpondwe (Uganda); (c) Bunagana (DRC) and Bunagana (Uganda); (d) Goma/Petite Barriere (DRC) and Rubavu (Recipient’s territory); and (e) Bukavu/Ruzizi I (DRC) and Rusizi I (Recipient’s territory).
50. “Training” means the reasonable costs associated with training, workshops and study tours provided under the Project, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.C.2 of Schedule 2 to this Agreement, consisting of reasonable expenditures (other than expenditures for consultants’ services) for: (a) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
51. “Uganda” means the Republic of Uganda.
52. “Uganda Revenue Authority (Customs)” means Uganda Revenue Authority, Uganda’s customs unit, established and operating pursuant to the Uganda Revenue Authority Act of 1991, as amended from time to time; or its successor thereto.
53. “VOR/DME” means an aircraft radio navigation system consisting of very high frequency (VHF) omnidirectional range and distance measuring equipment.