Project Agreement
(Housing Finance Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

DEVELOPMENT BANK OF RWANDA
CREDIT NUMBER 6343-RW

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and Development Bank of Rwanda ("Project Implementing Entity" or "BRD") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of the Signature Date between REPUBLIC OF RWANDA ("Recipient") and the Association, concerning Credit No. 6343-RW. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form part of this Agreement.

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

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts 1.1. and 2 of the Project in accordance with the provisions of Section 5.01 of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its respective part of the Project.

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

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its chief executive officer.
3.02. 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 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

3.03. The Project Implementing Entity’s Address is:

Development Bank of Rwanda
KN 3 Avenue
P.O. Box 1341
Kigali,
Republic of Rwanda
AGREED at KIGALI, RWANDA, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Authorized Representative

Name: Yasser El-Gammal
Title: Country Manager
Date: December 12, 2018

DEVELOPMENT BANK OF RWANDA

By:

[Signature]

Authorized Representative

Name: E.R. Mubadana
Title: CEO
Date: 12/12/18
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements

Single Project Implementation Unit – BRD

1. The BRD shall: (a) maintain the Single Project Implementation Unit (BRD-SPIU) throughout Project implementation, with one financial management specialist, one accountant, one procurement specialist and other fiduciary specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the BRD-SPIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Implementation Manual.

2. The BRD-SPIU shall be responsible for overall Project coordination, and day-to-day management and implementation of Part 1.1 and 2 of the Project, including financial management, procurement, supervision, and monitoring and evaluation.

3. The Project Implementing Entity shall carry out Parts 1.1 and 2 of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, labor, health and safety and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 1.1 and 2 of the Project.

4. The Project Implementing Entity shall maintain, throughout Project implementation, a structure, functions, responsibilities, and staffing acceptable to the Association, and in accordance with the Financial Sector Laws.

5. The Project Implementing Entity shall use the proceeds of the BRD Subsidiary Financing under Category 1 exclusively for purposes of providing Mortgage Refinancing. To that end, the Project Implementing Entity shall appraise and select PFIs in accordance with the procedure and criteria in the PIM and enter into Participation Agreement with the selected PFI, under terms and conditions satisfactory to the Association and as further set out in the PIM.

6. The Project Implementing Entity shall promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part 1.1 of the Project.
7. The Project Implementing Entity to carry out Parts 1.1. and 2 of the Project in compliance with the Anti-Corruption Guidelines and the Procurement Regulations.

8. The Project Implementing Entity shall: (i) 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 Parts 1.1. and 2 of the Project; and (ii) at the Association and 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.

B. BRD Subsidiary Agreement

To facilitate the carrying out of the Project Implementing Entity’s Respective Parts 1.1 and 2 of the Project, the Project Implementing Entity shall enter into a Subsidiary Agreement with the Recipient, under terms and conditions approved by the Association, and further set out in Section I.E of Schedule 2 of the Financing Agreement.

C. Project Implementation Manual (PIM)

1. The BRD shall adopt and, thereafter, carry out the Project in accordance with the requirements set forth in the PIM, which shall contain detailed guidelines, methods and procedures for the implementation of the Project, including: (i) administration and coordination; (ii) budget and budgetary control; (iii) disbursement procedures arrangements; (iv) financial, procurement and accounting procedures; (v) internal control procedures; (vi) accounting system and transaction records; (vii) reporting requirements; (viii) audit arrangements; (ix) corruption and fraud mitigation measures; (x) eligibility criteria for the selection of PFiPs that can benefit from the BRD and RMRC lines of credit; (xi) template of the participation agreement with PFiPs; (xii) investment policy of the RMRC; and (xiii) such other arrangements and procedures as shall be required for the effective implementation of the Project.

2. The BRD shall not assign, amend, abrogate or waive the PIM without the prior written approval of the Association.

3. In case of any conflict between the terms of the PIM and those of the Financing Agreement or this Agreement, the terms of this Agreement or the Financing Agreement shall prevail.
D. Grievance and Feedback Mechanism for Part 1 of the Project

The BRD shall maintain, throughout Project implementation, and publicize the availability of a grievance redress and mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to Part 1.1 of the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

E. Participating Agreements

1. In order to implement the lines of credit under Part 1.1 of the Project, the BRD shall: (a) enter into Participating Agreements with Participating Financial Institutions ("Participating Agreements"), as the case may be, on terms and conditions acceptable to the Association, which shall include terms and conditions set forth in the PIM to make the proceeds of the BRD Subsidiary Financing available to said PFIs; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate or waive any such Participating Agreements.

2. The BRD shall exercise its rights under the Participating Agreements in such manner as to protect its interests and the interests of the Association in order to accomplish the purposes of the Financing. The BRD shall not assign, amend, abrogate or waive the Participating Agreements without the prior written approval of the Association.

Section II. Project Monitoring, Reporting and Evaluation

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

2. The Project Implementing Entity shall provide to the Recipient not later than three (3) months, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of that Section.