



PROJECT IMPLEMENTATION MANUAL

Rwanda Energy Access and Quality Improvement Project (EAQIP)

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ABBREVIATIONS & ACRONYMS

EAQIP	Energy Access and Quality Improvement Project
NEP	National Electrification Plan
NST1	National Strategy for Transformation
PIM	Project Implementation Manual
ESSP	Energy Sector Strategic Plan
AfDB	African Development Bank
GoR	Government of Rwanda
EAQIP	Rwanda Universal Energy Access Program
REG	Rwanda Energy Group
EDCF	Economic Development Cooperation Fund
DPS	Development Partners
MININFRA	Ministry of Infrastructure
CCF	Clean Cooking Fund
RURA	Rwanda Utilities Regulatory Agency
IDA	International Development Association
EDCL	Energy Development Corporation
EIB	European Investment Bank
AFD	Agence Française de Développement
IFRs	Interim Financial Reports
SFD	Saudi Fund for Development
WB	World Bank
BRD	Banque Rwandaise de Développement
SOE	Statement of Expenditure
ESMF	Environmental & Social Management Framework
PAD	Project Appraisal Document
PMD	Program Management Department
PDO	Project Development Objective
HPP	Hydro Power Plant
MW	Megawatt
LV	Lower Voltage
MV	Medium Voltage
HV	High Voltage
TA	Technical Assistance
PCU	Project Coordination Unit
PIU	Project Implementation Unit
MINECOFIN	Ministry of Finance and Economic Planning
MTR	Mid Term Review
GPN	General Procurement Notice

1. INTRODUCTION

Rwanda Energy Access and Quality Improvement Project (EAQIP) is part of the large project of the Government of Rwanda "The Rwanda Universal Energy Access Program (RUEAP)" which has been designed to help achieve two key objectives; **Universal Energy Access and Quality Improvement**. The Government of Rwanda has obtained credit from different Development Partner (DPs) such as; World Bank/International Development Association (IDA), the World Bank-administered Clean Cooking Fund (CCF), Agence Française de Développement (AFD), to support the implementation of this program. The Energy Development Corporation Limited (EDCL) has been assigned the responsibility of the program implementing entity and has committed to execute this responsibility effectively.

The purpose of this Project Implementation Manual (PIM) is to provide detailed guidance to the implementation team, responsible for executing the different roles in the EAQIP. The manual is therefore designed to ensure that all project activities are undertaken within a framework of approved policies and procedures.

This PIM provides an overview of the project description and objectives, the institutional arrangements and relationships in the project governance and implementation. Moreover, it provides for the key implementation rules with respect to specific project operations like Procurement, Financial Management, Monitoring and Evaluation and Environmental and Social Safeguards. To this end, the PIM will be used in consonance with other project agreements and funding guidelines.

The PIM and its annexes can be amended during the project implementation period. Any amendments shall be initiated through the relevant structures including the steering committee and approved by the WB before the amendment(s) can be implemented. All the relevant project implementing teams, staff and other related stakeholders should ensure that the project is implemented according to the approved PIM. Any challenges encountered in the use of the manual shall be brought to the attention of the Managing Director of the EDCL.

2. BACKGROUND

The National Strategy for Transformation (NST1), 2017–2024, aims to make Rwanda among the first countries in Africa to achieve universal electrification, with investments guided by a National Electrification Plan (NEP) (geospatial), and the first to achieve less than 50 percent reliance on traditional cooking fuels. The NST1 identifies the importance of universal energy access for achieving the envisioned social transformation and aims at expanding electricity access to 100 percent of households by 2024. Electrification investments under the NST1 are being guided by NEP prepared in 2018, which lays out

the areas to be electrified by the grid by 2024 and those where off-grid solutions will step in before the grid arrives (48 percent off-grid and 52 percent grid connections; see **Error! Reference source not found.**). Furthermore, to improve the quality and reliability of electricity services, the Energy Sector Strategic Plan (ESSP) sets out targets for reducing power interruptions and expanding electricity access to productive users. Recognizing the harmful health and economic impacts of using biomass in traditional cookstoves, the ESSP also aims to reduce the number of households using traditional cooking fuels from 79.9 percent in 2016/17 to 66.6 percent by 2020/21 and 42 percent by 2024 by replacing wood and charcoal with clean cooking options.

2.1 SECTOR POLICY REFORMS AND GOVERNMENT INITIATIVES

The achievement of the NST1 targets will require a substantial acceleration of electrification efforts—from about 230,000 connections per year (including both grid and off-grid access) to over 500,000—and the creation of new markets for clean cooking, both requiring a combination of public and private investment. Public investment is estimated to be in the order of US\$1.06 billion; this will require concerted efforts in financing from the GoR and development partners. Public investment will focus on grid electrification, transmission and distribution; grid reinforcement, utility operations, and measures to catalyze private investment in off-grid electrification and clean cooking, especially for areas with poor affordability that are not attractive to the private sector. An estimated US\$370 million for private finance is expected to be mobilized between now and 2024 to support the implementation of off-grid solutions. Private funding will be the main driver in development of power generation, off-grid electrification, and clean cooking.

It is in this regard that GoR has established RUEAP which is GoR's multi-donor program to achieve the objectives of the NST1 and ESSP, and the GoR has solicited donor support around a common framework that builds on experiences and lessons learned from past electrification projects in the country. EAQIP is a part of the RUEAP and is supported by the World Bank and part jointly co-financed by the AFD. The preliminary donor commitment so far towards RUEAP amounts to a total of about US\$684 million to be mobilized toward the achievement of the ESSP objectives as far as possible. The ESSP requirement for on-grid access is US\$590 million, against the mobilization of public funds under the program of US\$366 million, which leaves a gap of approximately US\$224 million. The amount of public funds raised for improving the reliability of electricity supply and reducing transmission and distribution losses includes investments planned under the ESSP as well as beyond. For off-grid electrification and clean cooking, the GoR aims to leverage private investment through targeted subsidy schemes.

2.2 ELECTRIFICATION PLANNING FOR THE UNIVERSAL ACCESS PROGRAM

The GoR has allocated funding between the donor partners in a manner aimed at ensuring adequate coverage across the different targets of the ESSP. All donors to EAQIPs were

allocated different districts across country (figure1) in line with universal access target, which in accordance with ESSP budget that requires the bulk of funding. In addition, the World Bank funding addresses the clean cooking segment and off-grid electrification, and a small portion of the transmission and distribution stabilization segment, as well as rehabilitation of the Ntaruka Hydro Power plant.

Although the mobilized funds through the program may not meet entirety the needs of the ESSP, the program will go a long way in contributing to its targets. In addition, it will support the GoR's strategy to implement a 'last push' to reach universal electrification, make a step-change in access to clean cooking, and enhance efficiency of electricity services for all consumers.

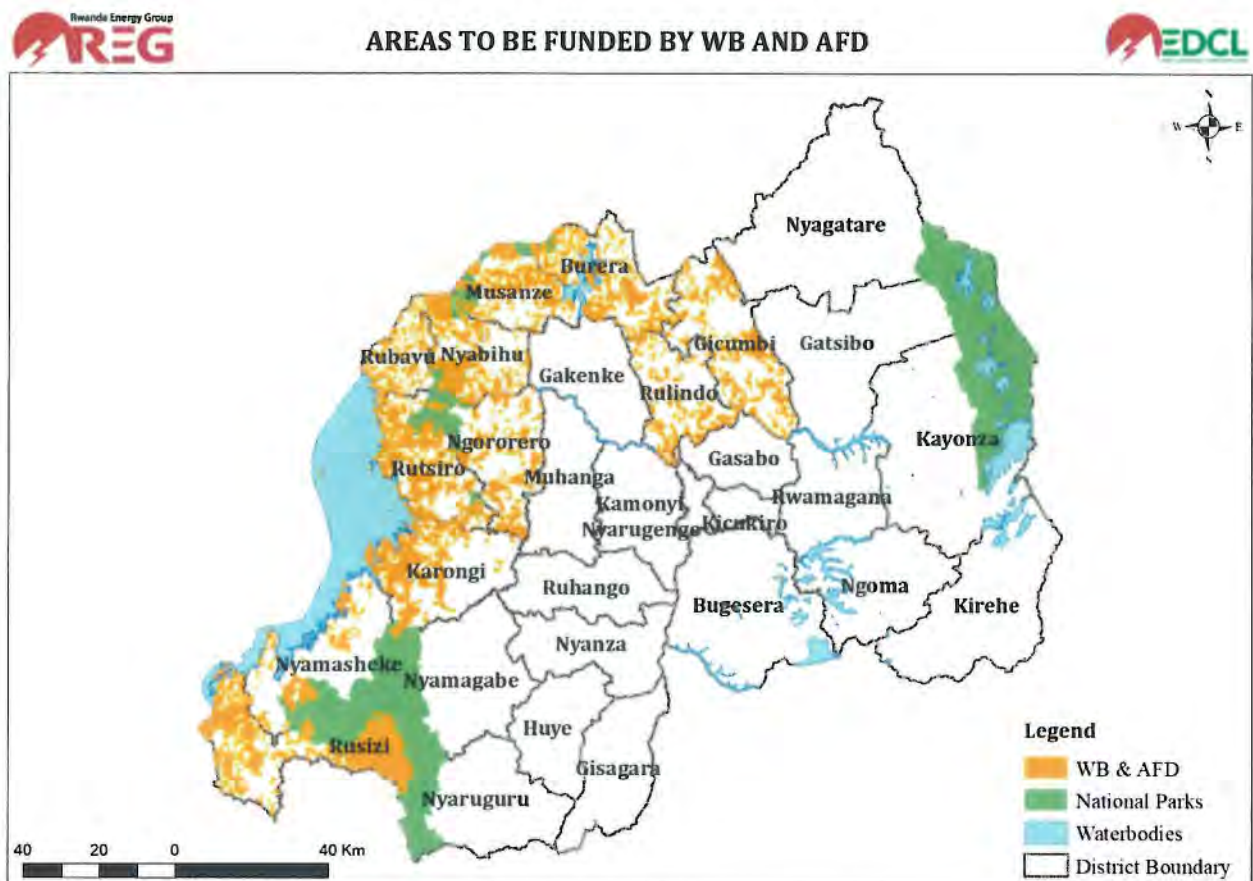


figure 1: Access on-grid package for EAQIP

2.3 AVAILABLE FUNDS

The EAQIP will be financed by different DPs. The table below summarizes the project components and costs.

Table 1. Structure of Multi-Donor EAQIP and Constituent Development Partner Projects (US\$, millions)

Program Components	World Bank-led Project (EAQIP) With proposed cofinancing ¹ by AFD		Total Donor Financing
	World Bank	AFD	
1. Increasing Access to Grid Electricity	World Bank	90.0	175.4
	AFD	85.4	
	Subtotal	175.4	
2. Enhancing the Efficiency of Electricity Services	World Bank	30.0	30.0
	AFD	0.0	
	Subtotal	30.0	
3. Increasing Access to Off-grid Electricity and Clean Cooking Solutions	World Bank	32.0 ^a	32.0
	AFD	0.0	
	Subtotal	2.0	
4. Technical Assistance, Institutional Capacity Building and Implementation Support	World Bank	8.0 ^b	10.2
	AFD	2.2	
	Subtotal	10.2	
Total	217.6	217.6	217.6

^a including Clean Cooking Fund Grant worth US\$ 7 million

^b including Clean Cooking Fund Grant worth US\$ 3 million

3. PROJECT DESCRIPTION

This project description will only cover World Bank-led Project (EAQIP) along with proposed co-financing by AFD.

3.1 PROGRAM DEVELOPMENT OBJECTIVES

The primary Project Development Objectives (PDO) is to improve access to modern energy for households, enterprises, and public institutions and enhance the efficiency of electricity service in the Republic of Rwanda.

PDO Level Indicators:

- a) People provided with new or improved electricity service (CRI; Number);
- b) Enterprises provided with new or improved electricity service (Number);
- c) Public institutions (clinics, schools, administrative centers, etc..) provided with new or improved electricity service (Number);
- d) People provided with new or improved clean access to cooking solutions (Number);
- e) Reduced voltage fluctuations in Rwanda's backbone transmission lines (Percentage);
- f) Generation capacity of energy constructed or rehabilitated (CRI; MW);
- g) Reduction of net CO₂ emissions through off-grid electrification and clean cooking solutions (tCO₂eq).

3.2 PROGRAM COMPONENTS

The Program consists of four components reflecting distinct groups of project activities.

- 1) Component 1: Increasing access to grid electricity;
- 2) Component 2: Enhancing the efficiency of electricity service;
- 3) Component 3: Increasing access to off-grid electricity and clean cooking solutions, and
- 4) Component 4: Technical assistance, institutional capacity building and implementation support.

The Project consists of the following Components :

Component 1. **Increasing Access to Grid Electricity** through financing and support for, Grid connections of new consumers, including financing of grid extensions and consumer connections in select districts in the Recipient's territory, including the districts of Gicumbi, Musanze, Rulindo, Burera, Ngororero, Nyabihu, Rubavu, Rusizi, Nyamasheke, Karongi and Rutsiro.

Component 2. **Enhancing the Efficiency of Electricity Service**

(a) **Rehabilitation of Ntaruka Hydro-Power Plant** ("Ntaruka HPP"), through financing and support for, restoration of the Ntaruka HPP plant capacity to its installed capacity of 11.25 MW and upgrade of the control systems and other electromechanical equipment.

(b) Improve stability and reliability of the power system, through financing and support for, installation of (i) static voltage compensators (SVC's) at select substations to reduce overvoltage created by low loading on the transmission lines; and (ii) power system stabilizers and governing systems at select hydro-power stations.

(c) Improvements in the Operational Performance of EUCL, through financing and support for, extension of EUCL's smart meter program to the distribution network including:

- (i) completing the installation of smart meters for select EUCL large and medium size consumers;
- (ii) start a program of installation of smart meters on network distribution transformers;
- (iii) conduct installation of high current smart prepayment meters, both for medium voltage (MV) and low voltage (LV) consumers, to gradually shift identified post-paid customers to prepayment;
- (iv) purchase and installation of test benches for both pre-paid and post-paid meters; and
- (v) installation of a comprehensive electricity transmission and distribution network geographical information system (GIS).

Component 3. Increasing Access to Off-Grid Electricity and Clean Cooking Solutions

(a) Increasing Off-Grid Electricity Access, through financing and support for: *Results Based Financing Facility to Off-grid Solar Companies (OSCs) ("RBF-OSC Facility")* through provision of results-based partial grants ("OSC Grants") to eligible OSCs to facilitate the sale of eligible solar systems and the provision of after sale services to final beneficiaries (qualifying households and micro-enterprises), and Incremental Operating Costs of BRD for management of the RBF-OSC Facility as are not otherwise recovered by BRD through a fee charged to the eligible OSCs.

(b) Increasing Access to Clean Cooking Solutions, through financing and support for:

Results Based Financing Facility for Clean Cooking Solutions ("RBF-CCS Facility") through provision of results-based partial grants ("CCS Grants") to Eligible Enterprises to facilitate the sale of eligible cooking technologies and products to final beneficiaries (qualifying households), and Incremental Operating Costs of BRD for management of the RBF-CCS Facility as are not otherwise recovered by BRD through a fee charged to the Eligible Enterprises.

The implementation description of Part 3 (a) and (b) are found in the annex 2.

Component 4. Technical Assistance, Institutional Capacity Building and Implementation Support

(a) Project Implementation support, including hiring of additional staff in EDCL and in the PCU, and sector consultants to continue to support sector management and coordination.

(b) Technical Assistance and impact evaluation including, *inter alia*: (i) sector studies aimed at improving the efficiency of the energy sector performance; (ii) impact evaluation studies to help the sector make appropriate decisions during and after project implementation; (iii) policy and advisory notes required to inform sector decisions; and (iv) gender-specific activities.

(c) Capacity Building across the energy sector agencies including, *inter alia*, in the following areas: energy sector planning, technical skills development, audit, compliance and gender.

(d) Technical assistance and institutional capacity building to support an enabling environment for the clean cooking sector development, including, among other things:

- (i) an awareness-raising and behavior change campaign;
- (ii) market facilitation and policy and regulation review and improvement.
- (iii) stove testing and product development.
- (iv) monitoring and verification of the RBF-CCS Facility.
- (v) innovations subgrant through competitive processes to support innovative technological, business, financing approaches with preferential support to female entrepreneurs (“Innovation Grants”); and
- (vi) Incremental Operating Costs of EDCL for providing technical assistance for cooking sector development.

EDCL will provide annual work plan for implementation of the CCF supported TA activities and incremental operating costs. These activities along with their budget are clarified in below table:

ACTIVITIES	CCF
Awareness raising and behavior-change campaigns. The project will work with health practitioners, women’s groups, and educators on the issue of HAP and clean cooking options. Gender-targeted messages will be developed, and influential champions (for example, clean cooking ambassadors) will be identified. Mass media and social media, as well as other innovative marketing approaches, will be used to raise awareness of and demand for improved and modern cooking solutions. The activities will complement the GCCA+ program and focus on higher tiers (T4 and T5) solutions with higher investment paid by consumers.	\$ 750,000
Market facilitation and policy/regulation review and improvement. The component will hire a market facilitator to reach out to promising and interested cooking companies on opportunities and provide targeted business-development training for cooking companies participating in the RBF operation. It will also provide TA in reviewing related policies and regulations and identifying areas for improvement to support market development.	\$ 400,000

<p>Stove testing and product development. TA and capacity building will be provided to (i) increase stove-testing laboratories' testing and evaluation capacity; (ii) improve the design and quality of local producers' stoves, with a special focus on incorporating women's needs as users; (iii) establish links with international suppliers, partners, and financiers to assist technology development or transfer; and (iv) improve the RSB's testing protocol and relevant national standards to incorporate the local cooking culture and practices.</p>	\$ 250,000
<p>Innovations. This component will provide an innovation subgrant through a competitive process to support innovative cooking technologies, modern materials, technology transfer, and business and financing approaches, giving preferential support to female entrepreneurs.</p>	\$ 600,000
<p>Monitoring and verification for the RBF operation. This component will cover the costs related to monitoring and verification of results at the output, outcome, and impact levels.</p>	\$ 600,000
<p>Management and operating costs. This component will cover the management and operating costs of both EDCL and the BRD.</p>	\$ 400,000
<p>Total</p>	\$ 3,000,000

4. IMPLEMENTATION ARRANGEMENTS

4.1 INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

The project will be jointly implemented by EDCL and BRD. The implementation arrangements have been designed to manage the multi-donor RUEAP, and all projects within the program will be managed by two implementing agencies, with EDCL covering all grid-related components and the overall program coordination, while the BRD will implement the off-grid and clean cooking component. EDCL will also be responsible for the verification of the RBF SHS and clean cooking components, including the management of OMIS and the Eligibility Tool, as well as any additional feature/tool needed for the implementation of the clean cooking component. Using the same implementation arrangements for the overall multi-donor program, instead of creating separate implementing units for each project in the program, is expected to substantially reduce coordination costs, eliminate duplication of effort and transaction costs for the GoR, enhance the efficiency of implementation, and help streamline development partner coordination of the program.

Component 1, 2, and 4 of the EAQIP will be implemented by EDCL. While EDCL has been implementing donor-funded projects, there is recognition that RUEAP program is large and EDCL's current workforce may be too constrained to effectively manage the

extra workload that the program imposes. For this reason, for reinforcing EDCL to manage the program, a PCU will be created within the structure of EDCL to provide the leadership that will run the program in coordination with the departments within EDCL. In addition, EDCL will be strengthened appropriately by recruiting additional relevant staff within the existing EDCL structure, who will provide support to ensure effective implementation of the program. The extra staff recruited to support the program will be funded by the program during the program duration. The PCU will be disbanded at the conclusion of the program, while it is hoped that EDCL will be able to maintain the staff recruited within EDCL departments on their structure, so that the program leaves a stronger EDCL structure in place.

EDCL’s implementation of Subcomponent 2c will draw on EUCL’s technical expertise, as needed. This will include seconding relevant EUCL staff to EDCL for the duration of the assignment.

The EDCL PCU, which will provide overall leadership for the program, will be staffed appropriately to manage the RUEAP, and will be housed within EDCL. The PCU will be headed by a program manager who will report directly to the managing director of EDCL.

The program manager will have the overall responsibility for (a) program implementation management and coordination and (b) program monitoring and evaluation (M&E) and reporting. Within the PCU, the program manager will be supported by high-level staff to head program functions such as, procurement, finance, safeguards, contract management, corporate management and any other function that is deemed to require high-level leadership. In addition, the PCU will also house a project coordinator for each group of participating development partners to provide coordination management and support each participating development partner group.

The EDCL PCU will draw upon the existing, and newly recruited, resources from EDCL departments for implementation support. Existing EDCL departments will be engaged for the implementation of different components of the program, including technical, operational, procurement, financial management (FM), planning, and legal components. These departments will be strengthened by additional staffing to ensure timely implementation of the program.

Proposed Implementation Arrangement within EDCL

EDCL Department	Program Component/Activity
EARP	Component 1: Grid electrification Component 2: Subcomponents pertaining to the improvement of the reliability and strength of the distribution network
Generation and Transmission	Component 2: Rehabilitation of the Ntaruka HPP and transmission-related subcomponents

EDCL Department	Program Component/Activity
Primary and Social Energy Development	Component 3: Off-grid electrification and clean cooking (technical aspects of implementation)
Procurement Management	Support day-to-day implementation of procurement processes for the program, under the supervision of the senior procurement specialist(s) in the PCU
Administration and Finance	Support day-to-day FM of the program, under the supervision of the senior FM specialist(s) in the PCU
Transaction and Legal	Support day-to-day contract management for the program, under the supervision of the senior contract management specialist(s) in the PCU
Planning	Support overall planning and implementation of the program
Human Resources	Support human resources related tasks of the program
Information Technology (IT)	Support IT related tasks of the program
Monitoring and Evaluation	Conduct Monitoring and Evaluation for the program

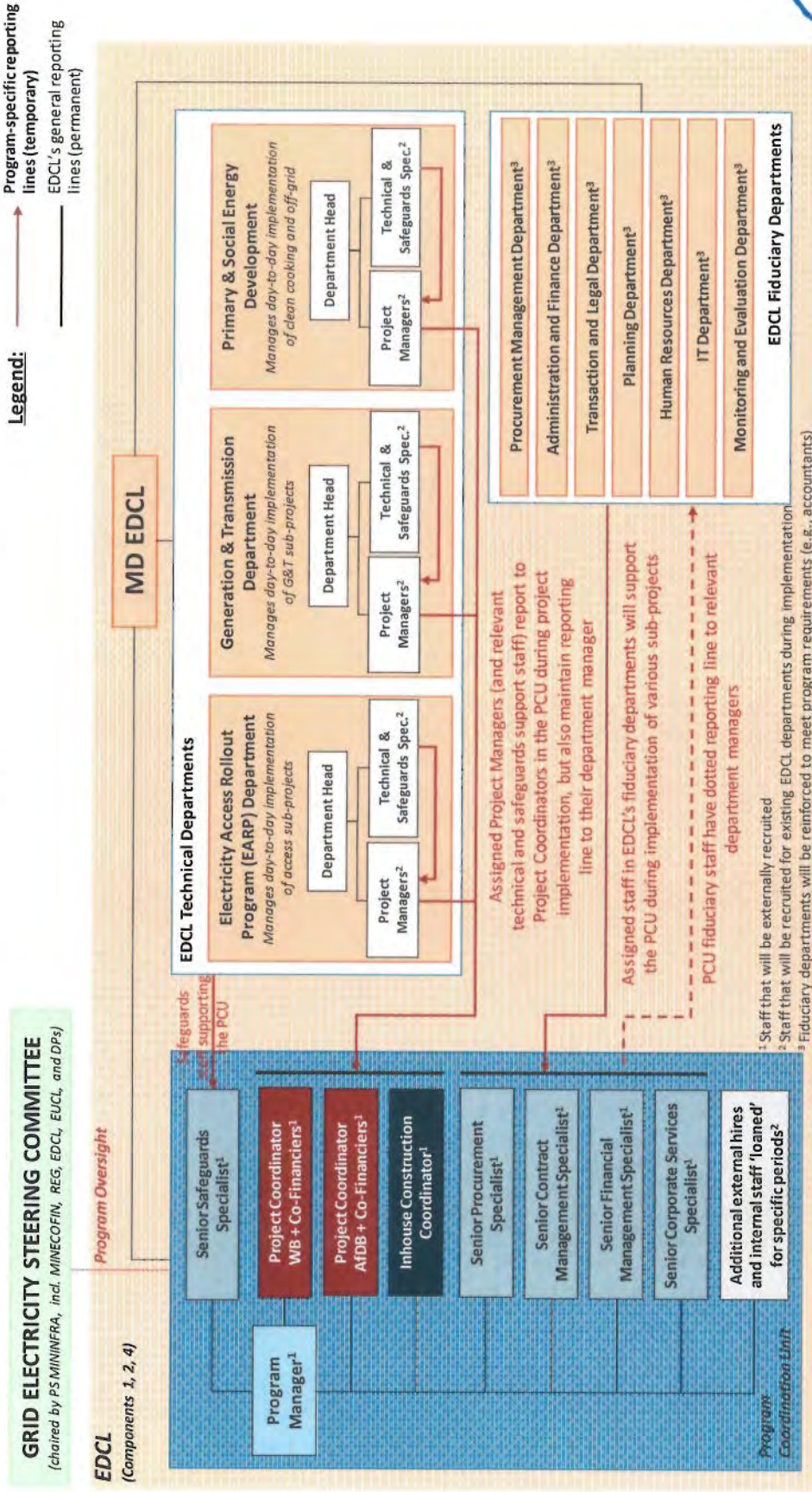
Note: a. Some of the subcomponents under Component 2 may also require the engagement of relevant departments of EUCL. This would require a Project Implementation Support Agreement between EDCL and EUCL.

EDCL will appoint or recruit project managers within EDCL technical departments who will report to the project coordinators in the PCU for program functions but will also maintain their existing reporting lines to their department manager. The project managers shall be supported by relevant specialists from the EDCL structure, who will be assigned to the program by the directors of the respective departments for implementation of the program. Given the scale of the program, additional resources will be recruited by EDCL and supported by the program. The Government has identified the resource gaps in the implementation structure, and these will be filled by funding through the program.

For fiduciary responsibilities, the program will draw resources from the existing fiduciary departments of EDCL including Planning, Procurement Management, Administration and Finance, and Transaction and Legal. Considering the scale of the program, some of these departments may require substantial reinforcement to meet the program requirements. The heads of these departments will appoint specific staff to work on the electrification program. These staff will also maintain dual reporting lines—to their respective fiduciary specialists within the PCU (for example senior procurement specialist, senior contract management specialist, and senior Finance Management specialist) as well as to the respective department heads.

Two Steering Committees will be established at the Program Level to provide high-level government oversight and strategic guidance to the EDCL-PCU for components 1, 2, and 4 and to the BRD-PIU for component 3. The Grid Electricity Steering Committee will be chaired by the permanent secretary (PS) of MININFRA and its members will include PSDG-MINECOFIN, CEO-REG, MD-EDCL, MD-EUCL, and the Program Manager, who will be the Committee Secretary. The Off-Grid and Clean Cooking Steering Committee will also be chaired by PS-MININFRA and will include PS-MINECOFIN, CEO-REG, CEO-BRD, MD-EDCL, representatives from the Ministry of Environment, RSB, Local Administrative Entities Development Agency (LODA), and the Program Manager. The Development Partners will be observers in both Steering Committees. The Steering Committees will meet every quarter, or as needed, during project implementation to review implementation progress, discuss emerging challenges, and identify mitigating measures.

Figure 4. Detailed Program Implementation Arrangements for Component 1, 2, and 4



The BRD will be the leading implementing agent for component 3, to be co-implemented with EDCL. For the off-grid electrification and clean cooking subcomponents under part 3, the BRD will take the lead in implementation while EDCL will be responsible for the verification of the RBF, including procurement of an IVA, monitoring of the markets, and adequate functioning of the OMIS system, the Eligibility Tool solar home system subsidies, and any update/new tool development required for the implementation of the clean cooking component.. The process flow is illustrated in figure 4. The eligibility criteria and associated subsidy amounts for households belonging to different Ubudehe categories will be in line with the Cabinet-approved concept for the nationwide RBF. BRD will receive applications from interested private sector firms for both off-grid access and clean cooking (under separate windows), appraise and approve eligible firms, with EDCL be providing technical advice in the evaluation process as well as coordination with RSB on required testing's. For the clean cooking window, EDCL will lead the call for cooking technologies and will coordinate with the RSB for testing. As the eligible firms expand operations across target consumers, they will be able to submit claims for disbursement under RBF to BRD. The claims will be verified through a statistically relevant sample and the verification report will be approved by BRD and the World Bank before subsidies are disbursed. A Service Level Agreement will be signed between BRD and EDCL. BRD will also implement the Environment and Social Management System (ESMS) since it has an adequate established ESMS under its REF.

The Operations Manual for Subcomponent 3a, Increasing Off-Grid Electricity Access, can be found here: [<https://www.brd.rw/brd/energy-investments/>].

The Operations Manual for Subcomponent 3b, Increase Access to Clean Cooking Solutions, can be found here: [https://www.brd.rw/brd/wp-content/uploads/2016/04/Clean_Cooking_Operations_Manual.pdf].

Figure 4. Coordination between BRD and EDCL under Component 3



4.2 RESULTS MONITORING AND EVALUATION (M&E) ARRANGEMENTS

M&E of project implementation progress and results indicators, as well as progress toward achievement of the PDO, will be the responsibility of EDCL PCU and BRD PIU. The two implementing agencies shall ensure adequate M&E staffing to support M&E activities. In addition, they will be responsible for collecting, verifying, and collating information, integrating M&E reports, submitting related reports to the World Bank both quarterly and annual progress reports. The implementing agencies will establish a database for each component of the project to periodically monitor the evolution of implementation, outputs, and results, with systems for regular data gathering and processing of information required to monitor the main performance indicators and intermediary indicators as defined in the Results Framework.

For the solar home system component, the implementation arrangements and monitoring and verification processes will follow the requirements and timelines as already agreed upon for the implementation of the Window 5 under the REF project, as detailed in the Window 5 Operations Manual. EDCL will be responsible for hiring and managing an IVA for the verification of subsidy claims.

As part of the reporting requirement for the Clean Cooking Fund, the M&E will cover the following CCF specific indicators.

Project cooking intervention objective: Accelerated progress on access to clean cooking in Rwanda		
OUTCOME: Improved access to clean cooking in Rwanda		Project target
Outcome indicator 1.1	People provided with new or improved access to clean cooking solutions (Number).	2.15 million (500,000 households)

Outcome indicator 1.2	Amount of private investment mobilized (Amount(USD)).	US\$19 million ²
INTERMEDIATE OUTCOME: Governments have adopted policies and regulations to support public and private sector investment in clean cooking		
Intermediate outcome indicator 1.1	Policies and regulations adopted by the government to support clean cooking market development (Number).	1
Intermediate outcome indicator 1.2	Share of female workers in enterprises financed by Component 3 (Percentage).	10
OUTPUTS		
Output 1	Policies and regulations adopted by the government to support clean cooking market development (Number).	1

5. EAQIP ORGANIZATION POLICY AND ADMINISTRATIVE PROCEDURES

5.1 STAFF POLICY

The staff policy of the EAQIP shall comply with the Labor Law, other rules and regulations being applied in Rwanda, REG HR Manual and DP's guidelines.

5.2 RECRUITMENT POLICY

Recruitments shall be done in compliance with the Rwanda labor code. Employees who are paid by the DP's will be subject to the DP's recruitment procedures. It is the policy of the EAQIP to provide equal employment opportunity to all qualified employees and applicants for employment regardless of race, color, age, sex, religion, marital status, political affiliation and disability.

Staff recruitment procedures will include:

- Developing the Terms of References (TORs) describing project objectives, basic requirements, obligations and responsibilities of the personnel to be recruited.
- Program management will approve all Terms of References. The Terms of Reference for the staff to be funded by DP's will be agreed upon with the appropriate funding partner.
- The announcement in mass media will include the information about TORs, the list of documents that must be submitted, the deadline and the address where the documents can be submitted.

² The amount refers to private investment mobilized for the entire Component 3: Increasing Access to Off-Grid Electricity and Clean Cooking Solutions.



- A recruitment panel will be set up. The panel will be responsible for screening and interviewing the candidates. The panel will develop a plan for written exam and interviewing process that contains the questionnaires and methods of decision-making.
- Interviewing and notifying the top candidate of the interview results and inviting him or her to sign the contract. Unsuccessful candidates will also be notified. In case no candidate is selected after the interview, the procedure will be repeated. The above procedures may not apply to certain staff that may be directly transferred from other projects that may be closing. This may have arisen because of urgency to have the core team on ground and the experience obtained in similar projects.
- Other methods of selecting suitable candidates as provided for in various applicable guidelines and procedures.
- All documents related to the recruitment process (newspaper advertisement, TOR, CVs, evaluation tables) shall be filed.
- No staff shall be recruited without clearly defined terms of reference.

5.3 EMPLOYMENT CONTRACT

Every staff shall have an employment contract. The employment contract shall specify clearly, the conditions of services including at least:

- Description of the position
- Length of service
- Probationary period or trial period
- Salaries & annual leave
- Social security, medical & life insurance
- Employer's contractual obligations
- Employees obligations
- Conflict resolution system
- Communication fees in terms of airtime cards
- Allowances for managerial and technical staff

The employment contract is signed for a defined period. The contract may be renewed based on staff performance evaluation conducted by the RUAEP Program Manager under the leadership of MD/EDCL.

The contract can be terminated during the period of contract by either party if the employee performs unsatisfactorily or the employee does not carry out the terms of the contract or at the employee's own request.

The employment contract will be managed in accordance with the labor law of the Republic of Rwanda.

5.4 CONDITIONS OF SERVICE

5.4.1 POLICIES AND RULES

Official working hours will be in compliance with the labor law of the Republic of Rwanda. The RUAEP Program Manager will inform the staff on changes that can affect working hours.

Employees are encouraged to discuss personal and professional problems that may affect their work and productivity with the RUAEP Program Manager.

Staffs are held responsible for the maintenance of program assets they are entrusted with.

5.4.2 LEGAL LEAVE

In compliance with the Rwanda Labor Code, legal leaves include:

- Government approved public holidays
- Maternity & paternity Leave
- Annual Leave & related leave allocation

Every staff is entitled to a paid leave at the employer's expenses on the basis of one & a half working day per month of effective continued work. The employee shall benefit from one working days per year and annual paid leave for every three years of experience in the same institution. However, annual paid leave in any case cannot exceed twenty-one (21) working days subject to project management's approval. Applications for annual leave shall be submitted to the Director of general services for processing and codification. The following procedures shall apply:

- An application for leave form shall be completed in three copies.
- The direct supervisor shall sign the application.
- The application shall be submitted to the RUAEP Program Manager for approval.

The above notwithstanding, it is noted that the Government of Rwanda determines official public holidays. Program management shall observe agreed official public holidays.

5.4.3 SICKNESS

In case of sickness, program management shall be informed within 48 hours. Lengthy absence of more than 72 hours due to sickness shall be justified by a medical report.

5.4.4 ABSENCE FROM DUTY

The RUAEP Program Manager & other supervisors shall be informed within 24 hours before any anticipated absence from duty.

5.4.5 PAYMENT OF SALARIES

Salaries are paid on the 25th of each month. Every staff member is required to open a salary account in a bank of his or her choice available in Rwanda. The salaries of staff transferred by REG (EUCL & EDCL) to EAQIP will be paid by these corporations.

5.4.6 MEDICAL CARE

Program staff and their legal dependents will be entitled to an appropriate medical care issued by recognized insurance companies in Rwanda.

5.5 TRAVEL POLICY

5.5.1 INSIDE RWANDA

Missions related to program activities shall be approved by the RUEAP Program Manager. A Mission order shall be completed by the concerned staff. Mission allowances shall comply with rates approved by the Government of Rwanda.

5.5.2 OUTSIDE RWANDA

Mission to travels outside Rwanda for trainings or other work-related stuff shall be initiated by the RUAEP Program Manager and approved by MD EDCL. Mission allowances shall comply with government rules and funding DP's regulations where applicable.

5.5.3 MISSION REPORT

Mission report for outside the country shall be sent to RUAEP Program Manager not later than 15 days after completion of the mission, while mission report for inside the country shall be sent to RUAEP Program Manager not later than 3 working days after completion of the mission.

5.6 DISCIPLINE

5.6.1 LATENESS

Lateness to work shall be justified. Persistent lateness may lead to sanctions.

5.6.2 ABSENCE FROM DUTY

The RUAEP Program Manager or other supervisors depending on hierarchy shall authorize every absence from duty.

5.6.3 PROFESSIONAL BEHAVIOUR

Staff are required to conduct themselves in a manner that is professionally acceptable. The EAQIP staff may not practice any form of discrimination or preferential treatment in its relations with third parties like consultants or suppliers of goods or services or people or institutions involved in any way in project activities or results of those activities.

Maximum cost-effectiveness in relation to the general objectives of the project shall always be sought in decision-making at all levels within the EAQIP and in the practical application of its procedures.

EAQIP is required to perform as a public service. Its employees are accordingly under obligation to observe confidentiality, impartiality and discipline similar to the requirement of civil servants.

Staff are expected to observe strict impartiality. They are expected to accord equal treatment to the users of the public services provided by the project.

It is strictly and expressly prohibited for EAQIP staff to use alcohol in the workplace while attending business-related activities, on call, or operating a vehicle or equipment owned or leased.

5.6.4 DISCIPLINARY MEASURES

Failure to observe rules and procedures may lead to disciplinary measures including:

- Verbal warning
- Written warning
- Suspension from duty
- Termination of contract

A commission shall be set up to review the breach of disciplinary procedures before disciplinary sanctions are taken against any staff. In dealing with staff matters, objective and fairness shall be observed.

5.7 BREACH OF CONTRACT

The followings may lead to a breach of contract:

- Changes in the agreed terms of contract

- Lengthy absence from duty
- Termination of employment
- Death

Fixed term contract ends at the agreed date. Contract management shall comply with procedures and the country laws.

A written notice shall be given before any contract is terminated. At the end of the contract, the employee shall handover program assets in his/her possession.

A lengthy absence of more than 15 working days will be considered as abandon of duty. The employee could submit a letter of resignation subject to honoring the notice period.

5.7.1 EMPLOYEE'S DEATH

In case of death, the project will pay funeral expenses and death allowances in accordance with the applicable law in Rwanda.

5.8 PERFORMANCE EVALUATION

Staff performance evaluation is the responsibility of the RUAEP Program Manager. He will discuss the performance and professional development of the staff. Progress in the previous year, functions and goals for the succeeding year and suggestions for enhancing the individual's personal and professional development will be discussed and documented. Each staff shall be evaluated.

5.9 STAFF PROFESSIONAL GROWTH

Staffs are encouraged to improve and develop their job-related professional skills. EAQIP will reimburse employees the cost of approved job-related training to improve skills required in the performance of their duties. Job-related training includes academically accredited courses, training seminars and workshops.

The RUAEP Program Manager is responsible for the career development assistance. Request for career development shall be approved by the RUAEP Program Manager. Approval is conditional on merits and availability of funds.

NB. staff will be offered a range of other opportunities for professional development including local and foreign seminars and workshops.

6. FINANCIAL MANAGEMENT

6.1 DEFINITION

Program financial management is a process which brings together planning, budgeting, accounting, financial reporting, internal control, auditing, disbursement and the physical performance of the project with the aim of managing project resources properly and achieving the program's development objectives.

Financial management is essential for Donor-financed projects. Sound financial management is a critical ingredient of project success. Timely and relevant financial information provides a basis for better decisions, thus speeding the physical progress of the project and the availability of funds and minimizing delays and bottlenecks.

6.2 PURPOSE

The objective of the project's financial management system includes:

- To ensure that funds are used only for their intended purposes in an efficient and economical way
- To ensure that funds are properly managed and flow smoothly, adequately, regularly and predictably in order to meet the objectives of the project
- To enable the preparation of accurate and timely financial reports
- To enable project management to monitor the efficient implementation of the project and
- To safeguard the project assets and resources

The followings are necessary features of a strong and reliable financial management system:

- The EAQIP shall have an adequate number and mix of skilled and experienced staff;
- The internal control system shall ensure the conduct of an orderly and efficient payment process, proper recording of project transactions in accurate and timely manner and safeguarding project assets and resources
- The accounting system shall support the project's requests for funding and meet its reporting obligations to fund providers including the Government of Rwanda, and funding donors

- The system shall be capable of providing financial data to measure performance when linked to the output of the project

6.3 DONOR POLICY AND PROCEDURES

Most of the donors require the borrower and implementing entities of all projects financed by them to maintain financial management systems to ensure accurate and timely information regarding project resources and expenditures. Financial Management systems;

- Include the planning, internal controls, accounting, financial reporting and audit arrangements relating to the project;
- Are maintained by the unit, department, agency or entity designated by the borrower to implement and manage the project
- Shall relate to the entire project as defined in the Project Appraisal Document (PAD), irrespective of the percentage financed by the Bank
- Shall enable the reporting entity, where it is a commercial, industrial or other revenue-earning entity, to provide information which adheres to accounting standards acceptable to the Bank, and where it is not, to provide information in an appropriately designed format acceptable to the Bank.

The EAQIP shall put in place and maintain appropriate accounting and internal control systems to facilitate project implementation throughout the life of the project. As part of an enhanced internal control environment, the Internal Audit Function of EDCL shall include the project in its annual work plan, the findings of the internal audit reviews and status of implementation of recommendations shall be shared with the Development Partners during the Implementation Support Missions.

6.4 ROLES AND RESPONSIBILITIES

The EAQIP is responsible for project financial management including preparation and production of the annual financial statements in accordance with internationally accepted accounting principles as well as making arrangements for their audit by office of the Auditor General and a competent and experienced audit firm, acceptable to the World Bank. The senior financial specialist will be recruited and under the leadership of EDCL director of finance will supervise the financial Management System of the EAQIP. Other accountants will be hired to support them.

6.5 PLANNING, BUDGETING AND BUDGETARY CONTROL

6.5.1 PLANNING

The project shall follow the GoR's planning and budgeting procedures as set out in the Organic Budget Law to the extent applicable to the project. The PCU will prepare annual work plans, including the project procurement plans and related annual budgets. The overall budget will be integrated in the sector budget for MININFRA.

At Project level, the finance and planning departments Unit of EDCL will prepare the budget, work plan, and cash flow forecast for each component and submit to the steering committee and the WB for its review and no objection.

Project goals include completing the project on time and within the estimated cost. Planning is a tool that is crucial in achieving these objectives. It helps EAQIP management to set realistic goals for each year and quarter of the project's life. Without planning, EAQIP management lacks direction.

The EAQIP will prepare work plans on annual basis. The plans will show activities to be implemented by the project. Each unit will be required to contribute to the preparation of the annual work plans. EAQIP management will prepare realistic plan, which shall:

- Identify activities required to complete the project
- Establish a linkage between the plan and other relevant processes associated with the project. The plan shall be linked to contract management, annual budgets and disbursement plans.

6.5.2 BUDGETING

A budget is a financial and/or quantitative plan of operations for a forthcoming accounting period. Budgets are designed to carry out a variety of functions including planning, evaluating performance, coordinating activities, implementing plans, communicating, motivating and authorizing actions.

The EAQIP will prepare budgets that translate work plans into projections of expenditures to be financed under the EAQIP. These will be prepared on an annual basis and updated regularly during the year using the appraisal estimates as an initial basis.

Annual work plans and related budget will be approved by EAQIP Management.

6.5.3 BUDGETARY CONTROL

Budgetary control is the establishment of budgets relating the responsibilities of the EAQIP management to the requirements of the EAQIP and the continuous comparison of actual with budgeted results either to secure by individual action the objectives of the EAQIP or to provide a basis of its revision.

6.6 ACCOUNTING SYSTEM

6.6.1 TRANSACTIONS RECORDING

Project's accounts will be prepared in accordance with the International Public Sector Accounting Standards (IPSAS), along with International Financial Reporting Standards (IFRSs). The EAQIP shall maintain an accounting system (IBMS) an existing accounting system within EDCL that allows for the proper recording of project financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds. Project management will ensure that the preparation and approval of transactions are done in accordance with the project's internal control procedures.

Transactions will be recorded into the accounting system through a chart of accounts containing codes used to classify financial transactions and designed to allow project costs to be directly related to specific work activities and outputs of the project.

The project's accounting system will be computerized to include budgeting, bookkeeping and reporting modules. This shall facilitate the production of the required project financial reports. Accounting staff will be adequately trained to maintain the system and appropriate controls will be instituted to safeguard the confidentiality, integrity and availability of the data. The accounting system will be able to generate acceptable Interim financial reports (IFRs).

6.6.2 BOOKS OF ACCOUNT AND RECORDS

Books of accounts will be set up and regularly maintained to records project transactions. These will include a general ledger, cashbook and subsidiary ledgers. A proper filing system that allows access to authorized users will be set up to ensure that all accounting and supporting documents are properly maintained. This will be achieved through a well-defined filing system that allows authorized users easy access to accounting and supporting documents on a permanent basis.

6.7 REPORTING ARRANGEMENTS

6.7.1 INTERIM FIANCIAL REPORTS (IFRs)

The project's Interim financial Reports are intended to provide a linkage between actual financial information on the project's transactions. The IFRs will thus be produced on a semester basis by the EAQIP and will be sent to World Bank within 45 days after the end of the semester period being reported and will include:

- A designated account activity statement
- A source and use of funds statement
- A statement of uses of Funds by project activities/components

- The accounting policies and procedures adopted (notes to the financial statements will be disclosed in the report)
- A budget to actual variance analysis per project activities and components; and
- Executive summary and notes to the accounts;

The financial year shall run from 1st July to 30th June of the next calendar year

A set of financial statements will be produced monthly, quarterly, biannual, and annually and should include:

The monthly financial report shall be prepared and submitted by 15th of the following month.

Quarterly financial report shall be prepared and submitted by 15th following the end of the quarter.

Annual financial statements are prepared and submitted not later than 31st July each year.

The Financial reports prepared by **EAQIP** shall include:

- a) Consolidated Statement of financial position (Balance Sheet)
- b) A statement of profit or loss and other comprehensive income for the period
- c) Statement for changes in equity
- d) Cash flow statement
- e) Significant accounting policies followed in the period
- f) Notes to the financial statements
- g) Programme expenditure and funding sources - summary by donors
- h) Budget performance report

In addition to the IFRs, other forms of reports detailed under M&E section will be used to judge progress in the implementation of project activities through the use of key performance indicators and other indicators as agreed.

6.7.2 MONTHLY, QUARTLY AND ANNUAL FINANCIAL STATEMENTS

In compliance with the Country Accounting System, International Accounting Standards and World Bank and other donors' requirements, the project will produce the following:

- A statement of Cash Receipts and Payments
- A Balance Sheet that shows Assets and Liabilities
- A statement of Sources and Uses of funds

- Notes in respect of significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements.
- Financial report produced in line with IFRS

In addition, these will be accompanied by a management assertion that Development funds have been expended in accordance with the intended purposes as specified in the project's legal agreements.

6.8 DISBURSEMENT ARRANGEMENTS

The EAQIP will receive funding from various donors and the Government of Rwanda,

6.8.1 DISBURSEMENT LETTER

The disbursement Letter will provide clear instructions concerning the withdrawal of the project funds as well as guidelines on the general conditions including:

- The delegation of signatories
- The minimum application size
- The replenishment of the Special Account
- Instructions for withdrawal of funds on the basis of Statements of Expenditure (SOEs)
- Audit Requirements

6.8.2 DISBURSEMENT PROCEDURES

All applications shall be numbered sequentially beginning with number one. Application for Withdrawal Form is used for:

- Reimbursement of payments already made by the borrower from its own resources
- Advance to a Designated Account and Replenishment to a Designated Account
- Direct payment to a third party for amounts due

Application Form is used for Special Commitment including the confirmation of a Letter of Credit without some guarantee or security. This procedure normally covers major contracts for imported goods.

6.8.3 BANKING ARRANGEMENT

The EAQIP will maintain the following major accounts:

6.8.3.1 Designated Account (s):

Denominated in US dollars or Euros, this will serve as the main project account (s) into which will be deposited project implementation funds from Each Development partner. The account(s) will be maintained in the Central Bank of Rwanda (BNR). The account(s) will be replenished based on SOEs or specific withdrawal applications to be submitted to the DP's on a regular basis, preferably monthly. EAQIP will be responsible for the administration of the special account(s) including the signatories, the preparation of withdrawal applications and replenishment of accounts.

6.8.3.2 Current Account (s)

Denominated in Rwanda Francs will be maintained in the Central Bank or a Commercial Bank acceptable by the Development partner (s). This account will receive the proceeds from the Designated Account converted at the exchange rate applicable on the date funds were received from the Development partner. The EAQIP will be responsible for the administration of the Current Account including the signatories, the preparation of withdrawal applications and replenishment of accounts.

6.8.3.3 Project Account

Denominated in Rwanda Francs, the account will receive funds from the Government of Rwanda and the project account will be in the Central bank or a Commercial Bank. The EAQIP will be responsible for the administration of the Project Account.

6.8.4 DISBURSEMENT OF DEVELOPMENT PARTNER FUNDS TO THE EAQIP

In the long run, disbursement of the Development partner funds to the EAQIP for activities will be based on incurred eligible expenditures (transactions-based disbursements) The Development partner credit/Grant will be disbursed using traditional methods. An initial advance into the Designated Account (s) (Advance method) will be made upon credit effectiveness and will be deposited into EAQIP operated Designated Account (s) (DA) to expedite its implementation. Actual expenditures will be reimbursed ("Reimbursement" method) through submission of Withdrawal Applications (at least monthly) supported by Statements of Expenditures (SOE). EAQIP will also use the Direct Payment method, whereby payments may be made directly to third parties (e.g. a supplier, contractor, and consultant) at the Recipient's request. Another acceptable method of withdrawing from the proceeds of the Development partner credit/Grant is the Special Commitment method. Under this method, payments may be made to third parties for eligible expenditures under special commitment entered into, in writing, at the Recipient's request and on terms and conditions agreed between the Development partner and the Recipient. However, AFD disbursements will only be done by way of advances on a Special Account.

Monthly bank reconciliations will be prepared by the EAQIP Chief Accountant, reviewed by the EAQIP Director of Finance and approved by RUAEP Program Manager.

6.8.4.1 Direct payment

Given the high probability of the existence of large contracts to be financed under the project, shall be paid directly from the Development partner credit/Grant. Withdrawal applications for such payments will be accompanied by relevant supporting documents such as copies of the contract, contractors' invoices and appropriate certifications.

6.9 AUDIT ARRANGEMENTS

The audit will cover the entire program including Government funds (if applicable) and funds from donors. the Project Account shall be audited on an annual basis. These audits shall be carried out by the Office of Auditor General or an independent and reputable auditing firm [appointed by the Borrower or the Recipient] under terms of reference acceptable to the World Bank and AFD. In the case where the audit is conducted by an auditing firm, the Lender will give its no-objection on the appointed auditing firm." All audit costs shall be paid by the Borrower. The auditing firm shall verify that all amounts drawn under the Facility and paid into the Project Account have been used in accordance with the terms of this Agreement. Audit reports shall be made available no later than six (6) months after the last day of each fiscal year. During the Drawdown Period, the Lender may carry out, or procure that a third party carries out on its behalf and at the cost of the Borrower, random inspections rather than systematic control of documentary evidence.

The scope of the audit will include:

- An assessment of the adequacy of accounting and internal control systems to monitor expenditures and other financial transactions and ensure safe custody of project-financed assets. In case there are post-review contracts, this assessment will include a review of the Borrower's controls and operating procedures for complying with donors financing eligibility requirements regarding any financial sanctions list;
- A determination as to whether the borrower and project implementing entities have maintained adequate documentation of all relevant transactions;
- Verification that the expenditures submitted to the donor, including those submitted in IFRs/SOEs are eligible for donor financing and identification of any ineligible expenditures; and
- Verification that the annual financial statements can be reconciled with the relevant year to date amounts appearing in the IFR for the year end.

The audited financial statements will be submitted to the donor not later than six months after the end of the project fiscal year, which is June 30.

In addition to the Office of Auditor General or an independent and reputable auditing firm, EDCL internal audit team shall evaluate a company's internal controls, including its corporate governance and accounting processes. They will ensure compliance with laws and regulations and help to maintain accurate and timely financial reporting and data collection.

The findings of the internal audit reviews shall be shared with the DPs during implementation support missions.

6.10 FINANCIAL MANAGEMENT IMPLEMENTATION SUPPORT

Financial Management Implementation Support will be regularly provided by the donor over the project life to ensure the continuing adequacy of reliable financial management arrangements for the project. Such support will include a review of the project's transactions where deemed necessary, to ensure that internal control procedures have been complied with.

7. PROCUREMENT

7.1 PROCUREMENT ARRANGEMENTS

Efficient procurement arrangements shall be put in place within the EAQIP to

- Promote competition, economy, and efficiency in procurement of works, goods, non-consultancy services, and services
- Ensure procurement is conducted in a fair, transparent and non-discriminatory manner

Procurement for the EAQIP will be carried out in accordance with the donors' Guidelines and the National Procurement Procedures. In case of contradictions between National public procurement procedures and donors' procedures, the donors' procedures will prevail.

7.2 PROCUREMENT CAPACITY

The EAQIP housed in EDCL will be responsible for ensuring that procurement complies with donor requirements. To this end the EAQIP will provide procurement support to all project implementing entities. The EDCL capacity was reviewed by the donor and found to have good capability. However, they still require guidance and support on procurement processing. This will be provided by the EAQIP. The assessment reviewed the organizational structure of implementing agencies, EDCL, MININFRA and RURA, for administration and finance.

The duties and responsibilities of the Procurement Specialists include:

A- Planning, Advertising and Filing

- Prepare and publish general notices, specific notices and request for expressions of interest
- Establish a data base of qualified suppliers and service providers and update it regularly.
- Establish and update regularly the project procurement plan spelling out the various services financed by the project
- Coordinate with responsible departments to prepare TORs and specifications to enable initiate the procurement process,
- Alert the management and internal tender committee and take the lead to initiate procurement processes,
- Establish a reliable and comprehensive filing system of all procurement document of the project

B- Selection of the consultants

- Draw up Request for proposals and the consultant shortlist on the basis of elements and specifications of services financed by the project and prepare the donor no-objection request when required;
- Participate in the evaluation process of the technical and financial proposals, coordinate and participate to the negotiation process when required.
- Prepare the draft of the contract between the project and the chosen consultants after obtaining the no-objection from donor (if required)
- Ensure that the services are provided as stipulated in the contract provisions, propose recommendations for the settlement of disputes which could occur during the implementation of the contract
- Ensure a timely response of the project to the consultant's reports as well as the final approval of the consultant's work.

C- Works and Goods

- Establish a procurement plan and prepare tender documents on the basis of the technical specifications prepared by the service beneficiaries financed by the project, ensure that the tender documents are advertised

- Be present during the opening of bids, write minutes for opening session, evaluation report, draw up minutes of the award of the tender, prepare contracts between the project and the suppliers/entrepreneurs awarded after tender process and donor no-objection (if required)
- Ensure that the works and goods be executed according to the contract clauses, propose recommendations on the settlement of disputes which could occur during the contract execution.
- Ensure timely reception of the goods and works of the various contracts financed by the project
- Establish a database of the performance goods suppliers, entrepreneurs, consultants and update this database regularly
- Undertake any other task related to procurement that could be requested by the EARP Coordinator.

The preparation of Terms of Reference, Technical Specifications of Services, Goods and Works to be financed by the project, is primarily the responsibility of the implementing entities.

7.2 PROCUREMENT PLAN

The donor guidelines states that as part of the preparation of the project the Borrower shall prepare and before loan negotiations, furnish to the donor for its approval, a Procurement Plan acceptable to the donor setting forth.

- The particular contracts for the goods, works and/or services required to carry out the project during the initial period of at least 18 months
- The proposed methods for procurement of such contracts that are permitted under the Loan Agreement and
- The related donor review procedures

The Borrower shall update the Procurement Plan annually or as needed throughout the duration of the project. The Borrower shall implement the Procurement Plan in the manner in which the donor has approved it. The procurement plan will be updated in agreement with the Project Team at least semi-annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

7.3 IMPLEMENTATION STRATEGIES

Several methods will be used in the procurement of works, goods and Non-Consulting services as well as for Consulting Services. The following methods of procurement apply

and shall be used for the procurement of works, goods, non-consulting services as well as consulting services for the individual activities under the project:

- i) *Methods of Procurement of Goods, Works and Non-Consulting Services:***
 - a. International Competitive Bidding;
 - b. National Competitive Bidding (NCB)
 - c. Request for Quotation;
 - d. Direct Contracting.
- ii) *Methods for Selection of Consulting Services:***
 - a. Quality and Cost based Selection (QCBS);
 - b. Quality Based Selection (QBS);
 - c. Selection under a fixed budget;
 - d. Least-cost selection (LCS);
 - e. Selection based on consultants qualifications (CQS);
 - f. Single-source selection (SSS);
 - g. Selection of individual consultants.

7.4 NATIONAL TENDER PROCEDURES

The public procurement law number N°62/2018 of 25/08/2018, and Ministerial order N° 002/20/10/TC OF 19/05/2020 establishing regulations on public procurement and standard bidding documents shall be followed in all procurement processes. In case of contradiction between the national procedures and the donor procedures the later shall prevail.

7.4.1 TENDER COMMITTEE

Reference is made to the Ministerial order N°001/08/10/MIN of 16/01/2008 establishing regulations on public procurement and standard bidding documents. Article 4 stipulates that a tender committee shall be formed and comprised of five to seven people depending on the nature of the procuring entity.

The EAQIP will use existing Internal tender committee (ITC) in EDCL. The team is composed by seven persons nominated by the Managing Director of EDCL as the Chief Budget Manager of EAQIP.

The Managing Director of EDCL as the Chief Budget Manager has the authority to remove or appoint any new member of the tender committee in accordance with the law on public procurement in Rwanda.

7.4.2 ROLE OF TENDER COMMITTEE

The tender committee shall be in charge of opening and evaluation of bids as well as making recommendations for the award of procurement contracts.



Each contract will be signed by the Managing Director of EDCL including the contract signing.

The tender committee may seek assistance from consultants or specialists from EDCL/EUCL when necessary.

The EAQIP will comply with the following procedures:

1. The Donor guidelines on procurement of goods, works and Selection and Employment of Consultants.
2. The National public procurement law;
3. Ministerial order establishing regulations on public procurement and standard bidding document.
4. The Ministerial order No 003/09/10/RPPA of 24/06/2009 defining the competence of Rwanda Public Procurement Authority and fixing the threshold of public procurement authorities.

7.5 BIDDING/PROPOSAL DOCUMENTS

Procurement activities will be carried out using the Donor's Standard Bidding Documents for International Competitive Bidding (ICB) as well as prequalification and Donor's Standard Request for proposals and contract documents for Consulting Services. For national Competitive Bidding, national standard documents may be used, otherwise the Donor's Standard Bidding Document (SBDs) will be used. For Bid and proposal evaluation, the donor's standard evaluation forms will be used if any. In addition, for AFD funds, the AFD Covenant of Integrity should be added.

7.6 NOTIFICATION AND ADVERTIZING

A General Procurement Notice (GPN) will be published in the Development gateway's dg Market on-line, and UN Development Business on-line. GPN would also be published on the REG website. In addition; in case of contracts subject to international competition co-financed by AFD, publish the procurement notices on the website <http://afd.dgmarket.com>. Using the same media, Special procurement notices will be published for ICB contracts for supply and installation, plant rehabilitation, equipment and associated goods and for prequalification, as well as Requests for Expressions of Interests (R-EOIs) for consulting contracts. Procurement by National Competitive Bidding (NCB) would be advertised.

7.7 PROCUREMENT OF SUPPLY AND INSTALLATION OF PLANT AND EQUIPMENT

Contracts would include the; construction and rehabilitation of grid-connected mini and micro-hydro stations; repair and refurbishment of the transmission, medium voltage, and low voltage networks; new construction of transmission, medium voltage, and low

voltage networks. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.

7.8 PROCUREMENT OF WORKS

Contracts would include small works for enclosure of diesel power stations and substations. Contracts for large civil works will be awarded on the basis of ICB. Small works would be procured through NCB or written quotations obtained from at least three qualified contractors. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.

7.9 PROCUREMENT OF GOODS

Goods will include transformers, conductors, poles & hardware, protection equipment, tools

- Goods contracts will be awarded on the basis of ICB, limited tendering, NCB or shopping. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.

7.10 SELECTION OF CONSULTANTS

Consultant services include engineering studies and bid package preparation for generation and network rehabilitation and extension, demand side management, embedded generation and other assistance to EDCL; advice on environmental and social safeguard compliance; drafting of energy legislation and regulations and staffing for the Project Implementation Unit.

- Contracts for firms would be selected using *Quality and Cost Based Selection* method. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.
- Contracts for services such as financial and technical audits may be selected using the Least Cost Selection (LCS) or Consultants' qualifications method. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.
- Short lists for small contracts may be comprised entirely of national firms, provided that a sufficient number of qualified national firms is available in the country and that interested foreign firms are not excluded from consideration. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.
- Individual consultants may be selected through the comparison of the curriculum vitae of at least 3 qualified candidates. Thresholds will be specified in each financing agreement for each donor or National procurement regulations.

- Government officials and civil servants may be recruited.

7.11 TRAINING

Services for training will consist of capacity building for EAQIP, MININFRA and EDCL staff and includes regulatory training (RURA); and training in energy policy.

Training, workshops, study tours, conference attendance would be carried out on the basis of approved annual work programs that would identify the general framework of training or similar activities for the year; including the nature of training/study tours/workshops, number of participants and costs estimates. Training courses estimated to cost more than US\$ 15,000 or equivalents would be selected using a competitive method (consultant qualifications) or Single-source selection in case deemed necessary.

7.12 OPERATING COSTS

Items to support the EAQIP (incremental expenditures for maintenance of vehicles, fuel, equipment, offices supplies, utilities, consumables) will be procured using national administrative procedures, which were reviewed and found acceptable by donors as part of Country Procurement Issues Paper of June 2004 and in accordance with the Project Financing Agreements.

7.13 PROCUREMENT PROCESS

7.13.1 PREPARATION PHASE

- Identification of the needs
- Trace the needs to the procurement plan
- Preparation of a complete tender document containing at least;
 - The invitation to tender
 - Instructions to bidders
 - Technical specifications of supplies and works or TOR in case of services
 - Tender valuation criteria
 - Clauses of the contract
- Assessment and review of tender documents
- Publication of tender documents and of the invitation to tender in wide circulation local and international newspapers.

7.13.2 SUBMISSION OF TENDERS

- To choose the method and prepare tenders (the potential bidders get into contact with the EAQIP for any clarifications or modifications to be added to the tender document). These are communicated to the bidders so that they can make their choice.
- The cost of the tender document, if any shall be reasonable not to discourage competitors, and shall be borne entirely by the bidder;
- Submission of the tenders /bids in sealed envelopes at the place and time specified in the tender document.
- Public bid opening session. The following elements have to be announced loudly and recorded;
 - the name and address of every entrepreneur whose bid is opened, the cost of the bid and any other option related to it. If need be, shall be announced loudly and recorded at the time of opening.
 - Bids received after the submission deadline will be rejected and sent back to the bidders without having been opened.
 - Opening of bids for services is done in two part: - in the first part only technical bids are opened. the second part is opening financial bids for only technically qualified bidders. Envelopes of applicants who have been not technically qualified shall be returned unopened.

7.13.3 EVALUATION OF TENDERS/BID

Appointment of the evaluation commission within the EAQIP

- Evaluation of bids will only be based on criteria specified in the tender document.
- The evaluation shall mainly be based on the following points:
 - Conformity of the bid to the selection criteria and qualifications requirements;
 - Bids shall be duly signed, dated and sealed
 - Tenders accompanied by the required guarantees, relevant bids, essentially including possible material modifications or reservations to the TOR or to technical specifications.
- The contract will be awarded to the bidder whose bid will have been rated the best and not necessarily the lowest bidder.

- The evaluation committee may request for clarification from bidder/bidders during evaluation. This clarification must not change the substance of the bid

7.13.4 Procurement clearance

Any person, group or entity participating in the implementation of the Project must not be listed on any Financial Sanctions List of UN, EU, France, and the borrower. The Borrower must carry out these checks and report to the bank and AFD.

7.13.5 CONTRACT PHASE

Negotiation and signature of the contract

7.13.5.1 Contract Implementation stage

The phase comprises monitoring the implementation of the contract. Implementation includes also the starting, site inspection reports, technical, provisional and final, reception works, payment, and the validity period of the guarantee and the management of movable assets.

Modifications of the signed contract. In the case of contracts subject to prior review, before agreeing to (i) a material extension of the stipulated time for performance of a contract; or (ii) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or (iii) any variation order or amendment which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15% (fifteen percent); or (iv) the proposed termination of the contract, the EDCL shall seek the Donor's no objection.

7.13.6 PROCUREMENT SUPERVISION

The donor implementation support mission will be carried out when required. During these missions, a selective post review of contracts awarded below the prior review threshold will be carried out.

7.14 STORES MANAGEMENT

Stores consist of inventories of various kinds of office supplies, such as stationery, computer consumables, spare parts etc. These inventories are usually budgeted for and consumed during the particular financial year but due to timing difference they remain in stock.

EAQIP will maintain a system of inventory management that ensures:

- Avoidance of stock-outs to prevent disruption of operational activities
- Optimal inventories- to minimize funds tied-up.

- Sound internal controls to prevent loss through damage, deterioration, unauthorized use or pilferage.
- For each type of stock, an inventory card should be maintained. The card should contain sufficient information: quantity purchased, issued to user departments (quoting the reference number of the related stock acquisition), and at hand- stating the dates of occurrence and associated cost. In addition, the card should show the quantity levels at which replenishment should be prompted as well as the maximum quantity beyond which further procurement would be unduly tying funds.
- At the end of the year, a stocktaking is organized to reconcile physical quantities with theoretical stock. However, on regular basis, a surprise stock count has to be organized by EAQIP management to insure regularly and consistency of store records and physical existence of materials.

7.14.1 EXCHANGE AND TRANSFER OF MATERIALS AMONG PROJECT

Once not indicated or signed in the donor project document, exchange and transfer of materials will be subject to Managing Director's approval.

17.14.2 ACQUISITION PROCESS

- The acquisition of fixed assets and store items shall be initiated through a Purchase Requisition (PR). The Purchase Requisition (PR) should be signed by the head of the department of the requesting unit and approved by RUAEP Program Manager.
- The Purchase Requisition should be sent to the senior financial management specialist to confirm the Budget allocation (for items do not fund in the stores).
- The senior financial management specialist sends the Purchase Requisition to the senior corporate services specialist. (For items do not fund in the stores). The request should be traced to the Procurement Plan.
- The Purchase Requisition is sent to the RUAEP Program Manager for authorization.
- Once authorized the PR is sent back to the senior corporate specialist (for items do not fund in the stores) for procurement process.
- At the completion of procurement procedures, a Local Purchase Order (LPO) should be prepared.
- The LPO should be signed by the senior corporate specialist and the RUAEP Program Manager. It should be prepared in 4 copies. The original goes to the supplier, a copy goes to the Finance Department, a copy goes to stores or receiving unit and a copy remains in the booklet.
- This process concerns only expenditures classified as operating costs. For capital expenditures like construction equipment and consultancy appearing in the procurement plan, the procurement specialist will directly seek all required no

objection to different donors before initiating the procurement process. All materials should be stored and the user department will prepare a purchase requisition to be approved by the Program Manager and Store Manager

- A committee will be established to receive the goods. The committee will include:
 - A representative from user department unit
 - A representative from corporate services
 - Store & Logistic Manager
- The committee will prepare a report to support their findings. The report and the supplier's invoice will be submitted to the RUAEP Program Manager.
- The invoice should bear the name of EAQIP/EDCL as the beneficial owner
- The RUAEP Program Manager will authorize the payment and the invoice will be sent to the senior financial specialist for payment.
- To move an item from EAQIP Stores, a requisition shall be initiated by the beneficiary/ user department and approved by the Program Manager. For construction equipment, the in-charge coordinator will sign on the requisition form.

7.15 FLEET MANAGEMENT

EAQIP is expected to have a significant fleet of trucks and Pick up. Each department will be allocated vehicles depending on the volume of work and availability of cars. However, a busy department may use cars from another department if they are available.

7.15.1. FUEL REQUISITION PROCESS

The user department will prepare a fuel requisition mentioning the vehicle number plate, the purpose of the mission, the site and the number of litters or equivalent in money (Francs)

The driver, the user department, the Senior corporate services specialist and the Program Manager should sign.

It is advised to use fuel cards for proper management of fuel.

A quota for Pick up is fixed at 70,000 Frw (maximum) a week. In case, that fuel is not enough, the user department head should justify the excess in writing. For the case of truck, the maximum fuel to be provided is 500,000 Frw (per trip/week). In case, that fuel is not enough, the user department head should justify the excess in writing.

8. MONITORING AND EVALUATION

A process of systematic collection, analysis and use of data to improve project performance, outputs and use of these data in the short term will serve as an important management tool to guide the EAQIP management and implementation at all levels.

8.1 DATA COLLECTION AND ANALYSIS

A sound monitoring and evaluation system that will provide accurate information through systematic data collection and analysis shall be established in line with the proposed framework and M&E results-based indicators reflected in the results framework (Ref. PAD and different Agreements). The primary objectives of monitoring the implementation of EAQIP shall include:

- Systematic collection and analysis of project and program information, which would help the EAQIP Coordination evaluate the progress vis-à-vis, target indicators and enable timely intervention;
- To obtain adequate and balanced knowledge on the progress in the field which would provide a solid foundation of decisions making for future planning and
- To achieve efficient and effective use of project and program resources based on accurate information.

8.1.1 ROLES AND RESPONSIBILITIES

The EAQIP will be responsible for EAQIP reporting and M&E. An automated Information Management System will be in place to guarantee data availability and to track progress to support timely informed decision making and required corrective measures

8.1.2 MANAGEMENT OF EAQIP M&E SYSTEM

The EAQIP M&E system will provide a way to organize different aspects of the program. For the EAQIP's M&E system to be functional, it needs to be managed on a regular basis. Those tasked with managing the M&E system would need to:

- Appoint dedicated M&E staff. In addition, the appointed M&E staff will liaise with the M&E Coordinator based at the SWAP Secretariat in MININFRA.
- Use appropriate resources, as per the annual M&E work plan and budget, for the execution of EAQIP M&E activities.
- Ensure that clear procedures for data collection and data analysis have been established and are implemented.
- Ensure that all stakeholders, including those involved in the implementation of EAQIP activities, have a clear picture of their role in the EAQIP M&E system.
- Ensure that clear procedures for annual M&E work planning and budgeting have been institutionalized.
- Integrate the M&E work plan and budget in the EAQIP work plan and budget
- Ensure that appropriate software for the M&E system is developed, used and updated as appropriate.

8.2 ARRANGEMENTS FOR RESULTS MONITORING

Monitoring and Evaluation of results will be based on project outcome indicators and intermediate outcome indicators agreed and set out in the project documents.

8.2.1 OVERVIEW OF LEVELS OF INDICATORS IN THE EAQIP SYSTEM

There are four levels of indicators (inputs, outputs, outcomes and impacts), as described hereunder.

- **Inputs:** Inputs are the resources that are needed to implement the project/program and its activities. Inputs can be expressed in terms of the human, equipment, supplies, infrastructure, means of transport, and other resources needed. Inputs can also be expressed in terms of the budget that is needed for a specific project or activity.
- **Outputs:** Outputs are the immediate results of the activities conducted. They are usually expressed in quantities, either in absolute numbers or as a proportion of a population. Outputs are generally expressed separately for each activity.
- **Outcomes:** Outcomes are the medium-term results of one or several activities. Outcomes are what the immediate outputs of the activities are expected to lead to. Outcomes are therefore mostly expressed for a set of activities. They often require separate surveys to be measured.
- **Impact:** Impact refers to the highest level of results, to the long-term results expected of the project. Impact therefore generally refers to the overall goal or goals of a project achievement over time. The proposed AF is one of the four energy projects selected in the Africa Region for impact evaluation as part of the broader institutional commitment to enhance development impact of the resources provided to recipient countries. This evaluation is envisaged to measure changes in welfare attributable to electrification and will be jointly overseen by the SWAp Secretariat and the EDCL/EAQIP M&E team.

8.3 REPORTING

To assess progress of project/program activities outlined in the EAQIP annual work plans, the following information shall be regularly provided to all stakeholders;

- a) Outputs of achieved activities, based on the EAQIP output indicators;
- b) Outcomes of the achieved activities based on the EAQIP outcome indicators;
- c) How funds have been allocated and utilized for the implementation of EAQIP activities; explanations on budget variances that may occur

d) Details of procurement of works, goods and services

8.3.1 FREQUENCY OF EAQIP REPORTING MECHANISM

The EAQIP reporting mechanisms will include the following:

- (i) Monthly reports,
- (ii) Quarterly reports,
- (iii) Semi-annual reports,
- (iv) Annual reports,
- (v) Implementation Support Mission,
- (vi) Interim Financial Reports (IFRs),
- (vii) Mid Term Review Report

All these reports must include the project progress, physical progress/physical output, a status of large works and service, a procurement monitoring table accompanied by the IFRS developed under the Financial Management section.

It is the responsibility of the EAQIP Coordination to ensure that regularly reports are produced and provided to all stakeholders in a timely manner. The RUAEP Program Manager shall also work with appropriate government officials; development partners and project/program staff to provide narrative explanations of project/program progress and to take actions to address problems or take advantage of opportunities that may be presented.

- All the mentioned reports above shall provide information that is useful to the Borrower while also providing the Bank and other stakeholders with sufficient information to establish whether
 - ✓ Funds disbursed to projects/program are being used for the purpose intended
 - ✓ Project/Program implementation is on track
 - ✓ Budgeted costs will not be exceeded.
- Financial information shall be linked with information on physical progress and procurement, to give assurance that financial and physical progress is consistent. The monitoring of expenditures against physical progress is a key aspect of ensuring that the project/program is under proper financial control.

The responsibility for project implementation support remains with the task team assigned to the project. The task team will agree on the arrangements for program implementation support with the government of Rwanda. The arrangements will include the timing, the terms of reference, management information system that provides regular information on all aspects of activities and costs as well as expected changes. implementation support will be closely linked to the project implementation schedule. this will include:

- A continuous support and implementation assistance through the Mission of stakeholders in Rwanda.
- Regular supervision and monitoring of key events.
- Continuous review of the procurement plan, work plan and budget

9. ENVIRONMENTAL AND SOCIAL ARRANGEMENTS

9.1 ENVIRONMENT AND SOCIAL MANAGEMENT FRAMEWORK

The Government of Rwanda by its national laws and in keeping with Partners Operational and Procedural Policies, an Environment and Social Management Framework (ESMF) has been prepared, which establishes a mechanism to determine and assess future potential environmental and social impacts of the Ministry for Infrastructure's planned investments and activities under the project. A framework is required for this project because it is not possible to ascertain the precise location of subprojects for investment and the nature of site specific impacts at this stage, though the design aspects enable the team to understand in advance the types of areas likely to be impacted by the project. The Environmental and Social Management Framework (ESMF) outlines an Environmental and Social Management Plan (ESMP), with the measures that will be taken to mitigate the potential adverse impacts detailed above. It prescribes measures for: (a) screening (i.e., determining potential adverse environmental and social impacts), (b) mitigation, (c) monitoring, and (d) institutional arrangements to be undertaken during planning, design, procurement, construction, and post construction stages of the project activities to be financed. The details of these measures are found in the EAQIP ESMF. These measures will eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The same ESMF elaborates also the main steps of ESIA to be prepared for subprojects as follows: a) Project brief submission and registration, b) screening, c) Project Brief Submission and Registration, d) 6.2.4. Impact prediction and analysis of alternatives, e) ESIA Report, f) Public hearing, g) Decision making and h) Environmental and Social Monitoring. The details for each step are found in the project ESMF

In summary the ESMF establish a mechanism to determine and assess future potential environmental and social impacts of EDCL planned investments/activities under the Rwanda Energy Access and Quality Improvement Project. In order to satisfy the environmental and social risks management of this project, the following will be undertaken namely; EDCL will under this project employ full time national Environmental and Social safeguards Specialists who will carry out the actions required in the ESMF, RPF, SEP, LMP and ESCP.

In order to ensure compliance with the Project's ESF instruments, including the ESMF, the following activities, but not limited to, will be carried out.

- The full time national Environmental Specialist for EAQIP will work with the team of EDCL's engineers to ensure that any adverse environmental impacts identified will be mitigated in the designs before they are finalized. Some mitigation measures would be adjustments to the technical drawings while others may require incorporation/adjustment of clauses to contract conditions or specifications for goods and workmanship.
- Where land acquisition that leads to resettlement is expected, such as at the sub stations or possible expansion of the transmission grid, the Social Specialist recruited by EAQIP will use the separately prepared and disclosed Resettlement Policy Framework for the project, to prepare on behalf of EDCL, the appropriate Resettlement Action Plan (RAPs), one for each affected site.
- The construction contractor will prepare a Construction Environmental and Social Management Plan (C-ESMP) based on site-specific ESSs instruments (ESMPs or ESIA as required) which will fall under the Client responsibility using the registered environmental Expert under RAPEP. Environmental and Social screening will be done following the Ministerial order No 001/2019 of 15/04/2015 establishing the list of the project that must undergo full or partial Environmental and Social Impacts Assessment and this will be done in full consultancy from Rwanda Development Board (RDB) which retains the responsibility of deciding on which level of ESIA required either partial, full or no ESIA and provides also Environmental Clearance/ Certificate after decision making. The ESMP will contain information on the nature and details of the identified impacts for each activity and the corresponding mitigation measures, monitoring plan and associated costs. The ESMP will accompany the final designs (including complete set of contract documents) which will include details of all mitigation measures, including RAPs, where required, to be sent to the Rwanda Development Board (RDB), and the DP's for review and clearance.

9.2 Labor Management Procedure (LMP)

EAQIP has a LMP as part of a manual for the environmental and social management framework of the Rwanda Energy Access and Quality Improvement Project (EAQIP), prepared following the requirements of the National Labor Law, Occupational Health and Safety, contracting of worker's regulations of Rwanda and the Environmental and Social Framework of the World Bank, in particular the Environmental and Social Standard 2 (ESS2). This was prepared also based on Provisions of law N° 66/2018 of 30/08/2018 regulating labor in Rwanda and will be applied for Grievance Redress Mechanism for workers. The details on Structure of the Workers Grievance Redress Mechanism and the process are found in the project LMP.

This structure will be used to implement the GRM as required to comply with the National Labor Law, Occupational Health and Safety Policy, World Bank ESS2 and World Bank Environmental Health and Safety Guidelines.

The contractor to the project should be given the LMP in order to be aware of its provisions and comply with it. It is the duty of the project staff to supervise its implementation and compliance with its provisions.

The project team will work hand in hand with the District and other Local Government Officials to facilitate its implementation and where possible help on its reinforcement for the benefit of the labor in the district.

For the side of the contractor, the employee will have to sign the codes of conduct as a sign of commitment to the full implementation of this LMP, but also the contractor shall sign the codes of conduct as attached to this LMP as also a sign of commitment to implement this instrument.

9.3 The Environmental and Social Commitment Pan (ESCP)

The ESCP was prepared and shows the commitment of Government of Rwanda towards environmental and social safeguards compliance. It summarizes the material measures and actions that are required as well as the timing of the material measures and actions. All contractors will have to abide to it and the client should keep tracking on how he is complying with it provisions.

- Only after clearance of the ESIA/ESMP and the final Designs from Rwanda Development Board (RDB), can contractors' carryout the works. The RDB may require certain revisions to the EMP, final designs and RAPs before granting its clearance. Additionally, for sites affected by resettlement, activities that lead to impacts on affected people requiring them to be physically resettled will not commence until the RAPs are fully implemented. The Project Affected Persons (PAPs) will be compensated before the start of any civil works on subproject sites.
- The RAPs will be archived for compliance with the disclosed RPF.
- Any part of the ESMP and Final Design that does not comply with the requirements of the Environmental Laws of Rwanda and the World Bank ESF requirements or any other donor will not be cleared by RDB.
- The full time national Environmental Specialist for EDCL/EAQIP will monitor as stated in the cleared ESMP, during construction and installation, the activities of the contractors to ensure that the works are being carried out as stated in the approved designs.
- The Social Specialist will also monitor EAQIP's implementation of the RAPs and social risk management on the project.

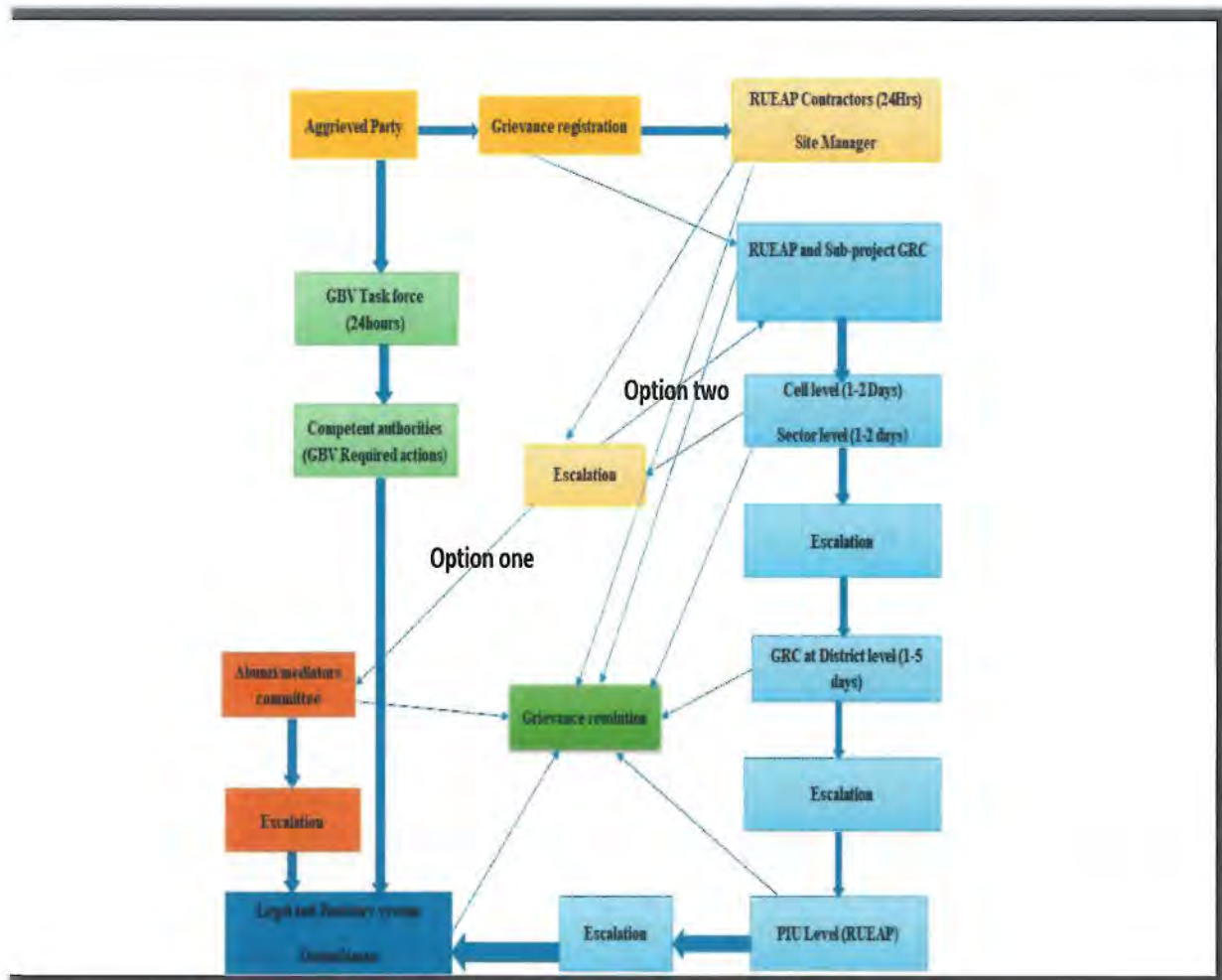
9.4 GRIEVANCE REDRESS MECHANISM

- The project ESMF and RPF have elaborated the Grievance Redress Mechanism for potential use by all interested stakeholders. The aim of the grievance mechanism is to achieve mutually agreed resolution of grievances raised by such stakeholders. This grievance mechanism ensures that complaints and grievances are addressed in good faith and through a transparent and impartial process, but one which is culturally acceptable. Grievances raised by stakeholders need to be managed through a transparent process, readily acceptable to all segments of affected communities and other stakeholders, at no cost and without retribution. The grievance mechanism should be appropriate to the scale of impacts and risks presented by a project and beneficial for both a proponent/operator and stakeholders, especially PAPs. The construction contractor will use it to address all issues that may rise during implementation and retains the responsibility to update it basing on sate challenges and experience.

The types of grievances stakeholders may raise include, but are not limited to:

- i. Negative impacts on communities, which may include, but not be limited to financial loss, physical harm and nuisance from construction or operational activities;
- ii. Health and safety risks;
- iii. Negative impacts on the environment such as pollution of water ways, soil, and air;
- iv. Relocation of utilities, and
- v. Unacceptable behavior by staff or employees.

Figure 5. Grievance redress process for the implementation of EAQIP



WORLD BANK GRIEVANCE REDRESS SERVICE (GRS)

The GRS is the Bank’s corporate-level grievance redress service created to receive complaints from Project-affected people and communities who believe that a Project has caused or will cause them harm. The GRS facilitates a prompt response to grievances by providing support to TTLs to address the issues raised in a quick and effective manner. The GRS seeks to ensure the Bank’s responsiveness and accountability by working together with Project-affected communities to identify problems and solutions, and promptly reviewing and responding to grievances. The GRS represents a collaborative problem-solving effort, the ultimate goal of which is to reach a long-lasting solution that addresses stakeholders’ concerns. It is an effective tool for early identification, assessment and resolution of complaints about Projects. PAPs or workers can use this during the project implementation to log complaints and seek for prompt solutions from the funder.

9.5 RESETTLEMENT POLICY FRAMEWORK (RPF)

The design and implementation of Project Component 1 (**Grid Rollout**) is highly likely to involve some land acquisition although line routing can in some cases be adjusted to reduce impacts. Land acquisition will require compensation of the Project Affected Persons (PAPs), as defined under the expropriation Law of Rwanda on Involuntary Resettlement. While the project will focus on urban, peri-urban, and high-density rural areas, the exact location, nature, and magnitude of subprojects to be financed cannot be determined prior to detailed project design.

Consequently, it is not yet possible to prepare detailed Resettlement Action Plans (RAPs), which specify mitigation measures and develop strategies to provide for livelihood restoration in line with international standards. As a result, a Resettlement Policy Framework (RPF) has been developed to provide guidelines on how the subprojects will avoid, manage, or mitigate potential risks and the process by which Resettlement Action Plans (RAPs) will be prepared and implemented during the project implementation period. Once the location and scope of individual subprojects are known, preparation of RAPs will be undertaken.

The RPF establishes the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the EDCL's when these sites are decided upon. The RPF has been prepared to the standards of the GoR's own policy on resettlement and WB ESS5 of Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

Because of potential land acquisition for project activities including but not limited to construction of medium Voltage substations, right of way, and way-leave acquisition, access to common assets/resources and improved livelihoods of Project Affected Persons, individual Resettlement Action Plans will be prepared by REG's full time Social Specialist.

The RPF covers the followings:

- Principles and objectives governing resettlement preparation and implementation
- A description of the process for preparing and approving resettlement plans.
- Land acquisition and likely categories of impact
- Eligibility criteria for defining various categories of project affected persons.
- A legal Framework reviewing the fit between the laws of Rwanda and regulations and partners Policy requirements and measures proposed to bridge any gaps between them.
- Methods of valuing affected assets

- Organizational procedures for the delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer.
- A description of the implementation process, linking resettlement implementation to civil works
- A description of the grievance redress mechanism
- A description of the arrangements for funding resettlement including the preparation and review of cost estimates the flow of funds and contingency arrangements.
- A description of mechanisms for consultations with and participation of, displaced persons in planning, implementation and monitoring
- Arrangements for monitoring by the implementation agency and, if required, by independent auditors.

The Resettlement Policy Framework governs all activities funded under Rwanda Universal Energy Access Program Development Project. and is to be used in conjunction with the Environmental and Social Management Framework (ESMF) that has also been prepared for this program.

9.6 CAPACITY BUILDING AND TRAINING

Recipient's Capacity to Implement Safeguards. Effective implementation of the Environmental and Social Management Framework and other ESF instruments (RPF, SEP and LMP) will require that adequate capacity enhancement within institutions and other stakeholders be undertaken.

Recruitment of Full time Social Safeguard Specialists

EDCL/REAUP under this project will recruit Social Safeguards Specialists (national), Environmental Safeguards Specialists (national) to assist in all safeguard issues related to this project. The recruited specialists (3) will undergo training on safeguards by building of learning on the job.

There will be training for project Environmental and Social Specialists, EDCL/EAQIP Engineering and Survey staff (at least two) at the national level, along with RDB and REMA. The training will cover implementation of the ESMF, including project screening, impact identification and analysis, Environmental Assessment procedures and requirements (EA and EIA), design and implementation of mitigation measures at subproject level, monitoring and review of environmental performance, and reporting. Local contractors will also require training and capacity building in sound environmental practices when implementing all the phases of the project. This is critical, as one of the key elements of the project emphasizes capacity building for local contractors.

Further, capacity building in social safeguards (resettlement, including compensation procedures) is critical for EDCL/EAQIP, and other relevant institutions. The training will include, among others, screening for impacts of involuntary resettlement, preparation of a site-specific Resettlement Action Plan, monitoring, and reporting resettlement activities.

10. SERVICE CONNECTION PROCEDURES

10.1 KEY COMPONENTS

Key Components in this process are: -

- Accelerated connections;
- Affordability of connection fees;
- Simplicity in the procedures;
- Readily available power;
- Secure metering

10.2 CAPACITY

The process will be managed as follows inside the EAQIP: -

- Data capturing of connections;
- GIS department;
- Installation of connections;
- Service connection contractors;
- The project management of the connection will be done within the contract management department;

The planning of the connections will be done within the planning department within EDCL however dealings with new customers will mostly be done within the EUCL commercial department. They will be responsible for the following: -

- Acceptance of application forms;
- Determination of tariffs and connection fees;
- Calculation of customer contributions;
- Registering of customers onto the system;

10.3 THE PROCESS

The process of connecting new customers onto the system will mainly consist of the following components;

- Notification to the public of the installation program.
- Customers affected would be:
 - Customers next to existing lines;
 - Customers next to new lines.

Residential customers would be managed as follows:

- All customers next to LV lines will be eligible for connections;
- All customers living in Imidugudu will be eligible for new connections;
- All customers residing in approved areas for service connections will be eligible for connections. Such approval will be obtained from the various district authorities.

Non-residential customers:

- Application will be made at the district commercial offices of EUCL: -
- Such connections will be costed where EDCL and the customer contribution will be calculated.

Notification will be given to such customers when their connections can be made.

- Customers pay their:
 - Connection fees;
 - Capital contribution;
 - First installment of cash power

The service connection contractor will manage the following administration:

- Application forms for new connections;
- Connection Works form containing customers details and material installed;

Connection Fees: -

The connection fees for single or three phase meter is 56,000FRW for all customers. The payment modality for the connection fees offers the following three options:

- Option 1: One-time full payment of 56,000FRW
- Option 2: Any other down payment proposed by the customer and reduction of the balance from purchased power for consumption until full payment is completed. At each purchase of power, fifty per cent (50%) of the paid amount is used to repay the balance of the connection fee.
- Option 3: Zero down payment and repayment of the connection fee from power purchases by the customer until full payment is completed. At each purchase of power, fifty per cent (50%) of the paid amount is used to repay the balance of the connection fee

More details on connection fees can be found in REG electricity connection policy.

10.4 SYSTEMS

No special systems would be installed within the EAQIP to connect new customers. The process will be handled onto the customer data base system within the EUCL Commercial department.

All new customers would be recorded to the GIS system and all connection data shall contain the customer coordinate, geographical coordinate, the pole number and the transformer number.

Customers will be registered on the customer data base within EUCL:

- The EAQIP contract management system shall maintain a contract data base for all new customers connected under the program.
- The data base shall be accessible by the commercial department to update their records.

11. PLANNING AND DESIGN PROCEDURES

11.1 KEY COMPONENTS

Key components of this program shall be:

- To plan in a realistic manner the universal access program based on a realistic roll-out approach;
- To design systems that are safe and capable of delivering the product to the customer;

11.2 CAPACITY

- Capacity will be created under the EAQIP directorship for a Planning and Design department, headed by a Director of Planning and Design.
- The appropriate level of staffing will be revised to match the workload as he/her project implementation progresses.
- GIS data management and drawing staff will support the Planning and Design Engineers within this department.
- Planning and Design Consultants may be employed to support the RUAEP staff.

11.3 PROCESS

The process will comprise of the following components:

- Aerial photographical maps will be obtained of the whole country;
- All potential customers will be mapped and confirmed at ground level;
- All possible electrification projects will be ring-fenced;
- A network to serve these customers will be planned per project;
- The networks will be costed and measured;
- A suitable prioritization index will be created;
- The projects will be prioritized for competitiveness against the prioritization index;
- The prioritized list will be made available for scrutiny by the stakeholders;
- The projects will be technically designed and optimized to ensure proper technology being employed;
- Highest priority projects will be submitted on a continual basis to the contract management department;
- Each project will have Bill of Quantity estimate for materials and cost;
- The projects will be constructed under the supervision of the Project Management department;

12. PROJECT MANAGEMENT PROCEDURES

12.1 KEY COMPONENTS

Key Components to be addressed in the management processes and systems are the following:

- Project Budgets
- Project Scope of Works
- Progress against time
- Payments
- Quality Assurance

12.2 CAPACITY

The following capacity shall be created within the EAQIP to fulfill their project management functions: -

- A full-time contract & construction management director
- Additional Project Managers for isolated donor funded projects

12.3 PROCESS

The Project management process will entail the following: -

- Obtain a schedule of all possible projects within area of responsibility;
- Participate in the prioritization of these projects;
- Handover projects of the highest priority to contractors;
- Supervise the contractor during the construction period;'
- Ensure that all expenditures conducted against the contract is posted against the contract budget;
- Prepare lists of materials per contract;
- Ensure proper requisitions of materials from stores and or suppliers;
- Ensure that material supply and installation is balancing';
- Process progress payments for the contractors;

- Arrange inspections to inspect progress of work and obtain approval;
- Prepare project statistics related to time, money and quality of work;
- Ensure materials are topped up with the contractor to conduct his work;
- Process all variation order on the contract;
- Ensure proper handover of the contract to the operational and commercial departments.

12.4 SYSTEMS

The following systems would be required in the project management unit to enable them to conduct their professional duties: -

- Each staff shall be equipped with a portable laptop unit;
- The project management department shall have access to the EAQIP network;
- The contract management unit shall work on a project program equal or similar to MS Project – Normal office business systems shall be accessible to all project managers.

13. GEOGRAPHICAL INFORMATION DATA SYSTEM (GIS)

13.1 KEY COMPONENTS

The following key components shall be an integral part of this process:

- Geographical information's – maps and drawings;
- Project information – infrastructure quantities and reference numbers;
- Planned as well as as-built data captures geographically;
- Data linkage to the infrastructure;
- Customer and meter management.

13.2 CAPACITY

The GIS unit shall ideally be composed of 5 GIS Officers – and one Supervisor to serve as the leader of the unit.

13.3 PROCESS

The following key components in the process shall apply: -

- Obtain and analyses aerial photography of the whole of the country;
- Capture designed and existing lines as well as other EDCL/EAQIP infrastructure onto the system;

- Capture service connection zones onto the system;
- Capture the following data as captured from the customer data sheets: -
 - Meter numbers;
 - Customer Name;
 - Customer ID number;
 - Geographical coordinates of the meters;
 - Pole numbers, transformer numbers;
 - Material installed list per customer;
- Captures as-built drawings of all projects;
- Register connections onto the GIS systems and correlate with the registration process in the department of commerce.
- Link the data base with the customer data base.

13.4 SYSTEMS

The GIS team will be equipped with all necessary equipment and tools such as (Total station, high performing laptops, GPSs, software's, etc....) that will allow them to perform their daily work. In addition, they will have:

- One or two office desktop that are capable of managing GIS related applications.
- Geographical information systems programs.
- All programs necessary to interlink with other department for data conversions.
- Access to the EAQIP network and servers.
- Additional data storage servers for additional data security.
- Communication allowances that will help them to sync on real time to RUAEP servers

14. MEASURE TO PREVENT COVID-19

During time of pandemic, in house teams and contractor's (Local and international) will follow the Rwandan Ministry of Infrastructure safety guidelines as well as REG and EDCL safety guidelines.

These includes but not limited to:

- Daily Morning Briefing Sessions & Health Safety Meeting to be arranged to review & ensure social distancing norms;
- During these sessions, A designated Health & Safety Officers on site must inform everyone including workers about the safety guidelines and important updates;

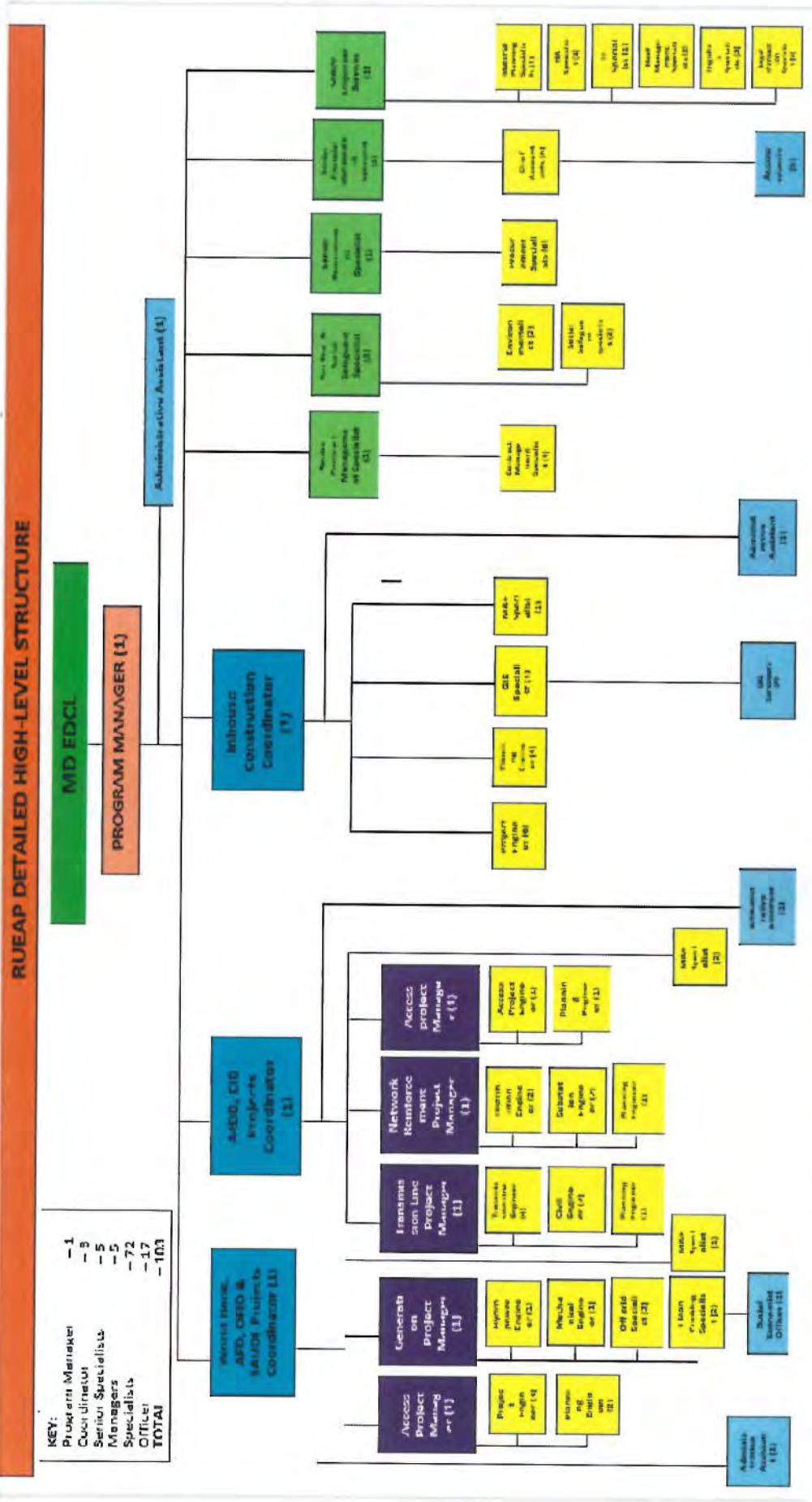
- A daily attendance log of all workers and visitors must be kept and retained for at least four weeks. The log must include the name, phone number, and home address of all workers and visitors. A proper record of all these workers will be maintained;
- Attendance will be communicated verbally, and a designated officer will sign in each attendee;
- COVID-19 safety requirements shall be visibly posted on each construction site;
- Hand wash stations must be made available at appropriate locations on the work site;
- All Necessary arrangements for public announcements to be made for ease of information;
- Construction Workers will not be allowed to go outside the site area (during working hours). All the essential items will be made available to them at the site only. If necessary, they can go out wearing a face mask, after informing the supervisor;
- No outside worker will be allowed to stay at the construction site without following proper procedures and instructions;
- Thermal Scanning will be arranged for all workers on daily basis
- The workers coming from outside the country should observe home- quarantine for at least 14 days as per the guidelines issued by MOH (Ministry of Health);
- Avoid large gatherings or meetings. Maintain at least 2 meters (almost 6 feet) distance from persons,
- Meet electronically when possible;



ENERGY DEVELOPMENT CORPORATION LIMITED



ANNEX 1: DRAFT ORGANIZATION CHART



On behalf of EDCL, Approved by:



The stamp is circular with a blue border. The text 'ENERGY DEVELOPMENT CORPORATION LTD' is written around the top inner edge, and 'EDCL' is at the bottom. In the center, there is a smaller version of the EDCL logo and the text 'ENERGY DEVELOPMENT CORPORATION LIMITED'.

Felix GAKUBA
Managing Director