

KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

Press Release No 739

Date 12/03/2007

Signature of a Loan Agreement for Kuwaiti Dinars KD 3,000,000 for financing the rehabilitation of Gitarama-Mukamira Road Project in the Republic of Rwanda

A Loan Agreement was signed today in Kigali between the Republic of Rwanda and Kuwait Fund for Arab Economic Development whereby the Fund will extend a loan of Kuwaiti Dinars three million (KD. 3,000,000/-) (i.e equivalent of 10 million US\$) to help finance the Rehabilitation of Gitarama-Mukamira Road Project.

The Loan Agreement was signed on behalf of the Republic of Rwanda by H.E. Mr. MUSONI James, Minister of Finance and Economic Planning and on behalf of the Fund by Mr. Hesham Ebraheem Al-Waqayan, Deputy Director General of the Kuwait Fund for Arab Economic Development.

The aim of the Project is to support the economic and social development of the Southern and Western Provinces of Rwanda by improving their link with the Capital Kigali and the remaining Provinces of the Country, in order to facilitate and reduce the transport cost of their agricultural, industrial and mining products and their imports from other provinces and neighboring Countries. The project will also facilitate access to health and educational establishments in the region.

The project is expected to start in 2007, and to be completed by end of 2009.

The total cost of the Project is estimated at about 37.86 billion Rwanda francs, the equivalent of about KD. .21 million, of which the foreign currency is equivalent to about KD. 16.25 million which represents about 77% of the total cost of the project. The Fund's Loan will cover about 14% of the Costs of the Project.

The Loan will be for a period of 24 years including 4 years grace period, and will be amortized in 40 semi-annual installments, the first of which will be due on 1st date on which any interest or other charge on the Loan shall fall due after the elapse of the above mentioned grace period.

The Loan bears an interest rate at 1.5% per annum, in addition to 0.5% per annum to cover administrative costs and other expenses incurred in the implementation of the Loan Agreement.

By concluding this agreement, it will be the sixth Loan that the Fund provided to the Republic of Rwanda, where the Fund previously provided five loans amounting to 10.4 million Kuwaiti Dinars (equivalent to about 35 million U.S Dollars for financing projects in various sectors). In addition to one Technical Assistance grant totaling about 93 thousands Kuwaiti Dinars (equivalent to about 310 thousands United States Dollars) for financing a feasibility study I the Roads sector.