



**GRANT NUMBER E159-MW**

# **Project Agreement**

**(Water and Sanitation Project -1)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**BLANTYRE WATER BOARD**



**GRANT NUMBER E159-MW**

**PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and BLANTYRE WATER BOARD (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the (“Recipient) and the Association, concerning Grant No. E159-MW. The Association and the Project Implementing Entity hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

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

**ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

**ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the Signature Date.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is Chief Executive Officer.
- 4.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America; and

- (b) the Association's Electronic Address is:

Telex:                      Facsimile:  
248423(MCI) or          1-202-477-6391

4.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Project Implementing Entity's address is:

Blantyre Water Board,  
Off Makata Road, Chichiri, Blantyre 3  
P.O. Box: 30369  
Blantyre City, Malawi; and

- (b) the Project Implementing Entity's Electronic Address is:


Email:

[ghanjahanja@bwb.mw](mailto:ghanjahanja@bwb.mw)

AGREED as of the later of the two dates written below.


**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By:

  
\_\_\_\_\_  
Authorized Representative  
Name: Hugh Ridde11  
Title: Country Manager  
Date: 05-Apr-2023

**BLANTYRE WATER BOARD**

By:

  
\_\_\_\_\_  
Authorized Representative  
Name: Robert Hanjahanja  
Title: Chief Executive Officer  
Date: 05-Apr-2023

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. *The Project Implementing Entity*

- (a) The Project Implementing Entity shall:
  - (i) maintain throughout the implementation of the Project adequate staff comprising, a project implementation unit comprising a Project manager, a financial management specialist, a procurement officer, five engineers, an environmental, health and safety officer, a social and gender officer, a monitoring and evaluation specialist, and a communications and community liaison officer, all with experience, qualifications, responsibilities and resources satisfactory to the Association;
  - (ii) without prejudice to the provisions of paragraph 1(a) above, the Project Implementing Entities shall establish, by not later than thirty (30) days after the Effective Date, recruit additional procurement specialist, environmental, health and safety specialist, and a social safeguards specialist, and thereafter maintain throughout the period of implementation of the Project;
  - (iii) coordinate with the Ministry of Water and Sanitation, which will provide overall policy direction and oversight of the Project; and
  - (iv) liaise with the Ministry of Finance and Economic Affairs and MoWS to review and approve the Annual Work Plan and Budget.

##### 2. *Executive Management Team*

- (a) The Project Implementing Entity shall maintain throughout the implementation of the Project an Executive Management Team (EMT) comprising the Chief Executive Officer, the Director of Technical Services, the Director of Human Resources, the Director of Finance and Director of Distribution and Commerce, with resources, skills, experience and under Terms of Reference satisfactory to the Association.
- (b) The EMT shall be responsible for oversight of the water supply activities.

**B. Implementation Arrangements**

1. *Project Implementation Manual*

- (a) The Project Implementing Entity shall carry out the Project in accordance with the PIM in form and substance satisfactory to the Association, which consists of different schedules, setting forth rules, methods, guidelines, standard documents and procedures including the:
  - (i) detailed description of all Project activities supported under this Agreement, their sequencing the prospective timetable and benchmarking in relation thereto;
  - (ii) project administrative, financial, accounting, auditing and disbursement procedures and all relevant standard documents; and
  - (iii) the PBCs and relevant verification protocol.
- (b) The PIM may only be amended from time to time in consultation with the Association and approval of, the Association. In case of any conflict between the provisions of the PIM and this Agreement, the provisions of this Agreement shall prevail.

2. *Subsidiary Agreement*

- (a) The Project Implementing Entity shall enter into a Subsidiary Agreement with the Recipient under terms and conditions satisfactory to the Association including the following additional obligations:
  - (i) Except as the Association shall otherwise agree, the Project Implementing Entity shall produce for each of its Financial Year after its Financial Year ending March 31, 2024, total revenues equivalent to not less than the sum of its: (A) total operating expenses; and (B) debt service requirements.
  - (ii) Before March 31 in each of its Financial Years, the Project Implementing Entity shall, based on forecasts prepared by the Project Implementing Entity and satisfactory to the Association, review whether it would meet the requirements set forth in the preceding subparagraph in respect of such year and the next following fiscal year and shall furnish to the Association the results of such review upon its completion.
  - (iii) If any such review shows that the Project Implementing Entity would not meet said requirements for the Project Implementing Entity's fiscal years covered by such review, the Project

Implementing Entity shall promptly take all necessary measures (including, without limitation, financial restructuring, promotion of private sector participation, promotion of efficiency, and making a request of adjustments of the structure or levels of its tariffs in order to meet such requirements.

- (iv) Exercising its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interest of the Recipient and the Association, and to accomplish the purposed of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

4. *Implementation Agreement*

- (a) Prior to carrying out any activity under Part 2, 3.2 and 4(b) of the Project the Project Implementing Entity shall enter into an agreement (Implementing Agreement) with the Blantyre City Council on terms and conditions approved by the Association.
- (b) The Project Implementing Entity shall exercise its rights and carry out its obligations under the Implementation Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purpose of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, terminate, waive or fail to enforce the provisions of the Implementation Agreement and in case of any inconsistency between the provisions of the Implementation Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Workplan and Budget**

- 1. The Project Implementing Entity shall, by no later than March 31 of each Financial Year during the implementation of the Project, prepare and furnish to the Association, an annual work plan and budget containing all activities proposed to be included in their Respective Parts of the Project during the following Financial Year, and the proposed financing plan for the expenditures required thereunder, indicating the amounts and source of financing (“Annual Work Plan and Budget”), all in accordance with the Project Implementation Manual, each said Annual Work Plan and Budget of such scope and detail as the Association shall reasonably request.
- 2. The Project Implementing Entity shall afford the Association a reasonable opportunity to exchange views with them on each such Annual Work Plan and

Budget, and, thereafter, ensure that the Project is implemented with due diligence during said following Financial Year in accordance with said Annual Work Plan and Budget as shall have been approved taking into due consideration the comments/suggestions provided by the Association.

3. The Project Implementing Entity shall not make or allow to be made any change(s) to the approved Annual Work Plan and Budget, once approved, without the Association's prior written concurrence.

**D. Verification of Performance-Based Conditions under Part 3.1 of the Project and Schedule 3 to the Financing Agreement**

1. The Project Implement Entity shall recruit, not later than sixty (60) days after the Effective Date, and thereafter maintain throughout Project implementation, an independent verification agent ("Verification Agent") with qualification, experience and under terms of reference satisfactory to the Association to undertake the verification of compliance with the PBCs in accordance with the Verification Protocol.
2. The Project Implementing Entity shall ensure that the Verification Agent, not later than thirty (30) days after the verification of compliance with or achievement of the PBCs for the pertinent calendar year has been completed, prepares and furnishes to the Recipient, who shall in turn furnish to the Association, a report on the results of said verification process of such scope and in such detail as the Association shall reasonably request.

**E. Environmental and Social Standards**

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Project Implementing Entity shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and



- (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Project Implementing Entity shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

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

**A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than March 31 for incorporation in the report referred to in Section 5.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.