



**GRANT NUMBER E194-3E**

# **Financing Agreement**

**(Regional Climate Resilience Program for Eastern and Southern Africa Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**EASTERN NILE TECHNICAL REGIONAL OFFICE**



**GRANT NUMBER E194-3E**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and EASTERN NILE TECHNICAL REGIONAL OFFICE (“Recipient”).

WHEREAS:

- (A) Climate change poses a major threat to the achievement of the Eastern and Southern African (AFE) region’s long-term development objective.
- (B) There is huge potential for a regional approach to effectively address this shared challenge at scale via collective action, and to contribute to build AFE’s resilience to climate-related impacts.
- (C) The Regional Climate Resilience Program for Eastern and Southern Africa Project (“Regional Project”) proposes a platform for coordinated action on the regional climate change challenge, for testing and expanding the use of standardized and replicable approaches on emerging good practices across countries and sectors and for mobilizing co-financing for this agenda.
- (D) The Regional Project is aligned with the respective strategies of the Union of the Comoros, the Republic of Madagascar, the Republic of Mozambique, and the Republic of South Sudan (collectively, the “Participating Countries”) on climate change.
- (E) The Southern African Development Community (SADC) is a public international organization whose objectives include, *inter alia*, promoting sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication, enhancing the standard and quality of life of the people of Southern Africa and supporting the socially disadvantaged through regional integration, and to achieve its objectives, SADC is mandated to, *inter alia*, harmonize socio-economic policies of member states.
- (F) The SADC is promoting the sustainable management of shared water resources to boost livelihoods and climate resilience and is acting as a coordinating body for several river basin organizations.
- (G) The Eastern Nile Technical Regional Office (ENTRO) is an intergovernmental partnership of Egypt, Ethiopia, South Sudan, and Sudan based on a vision to achieve sustainable socio-economic

development through equitable utilization of, and benefit from, the common Eastern Nile water resources.

- (H) In East Africa, the ENTRO supports the advancement and enhancement of cooperation among the Eastern Nile countries on water resource development and management.
- (I) Each of the Participating Countries, the SADC, and the ENTRO, having satisfied itself as to the feasibility and priority of the Regional Project described in Schedule 1 to this Agreement, have requested assistance from the Association in the financing of their respective part of the Regional Project.
- (J) The ENTRO and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU) are institutions of the Nile Basin Initiative (NBI) and have a common purpose in contributing to the achievement of the shared vision of the NBI.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

#### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 General Conditions or in the Appendix to this Agreement.

#### **ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to three million Special Drawing Rights (SDR 3,000,000) (“Financing”), to assist in financing the Recipient’s respective part of the Regional Project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Regional Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following, namely, ENTRO's Constituent Documents have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its Executive Director.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:  
Eastern Nile Technical Regional Office  
P.O. Box 27173-1000 Lamberet, Dessie Road  
Addis Ababa, Ethiopia; and
  - (b) the Recipient's Electronic Address is:  
E-mail:  
entro@nilebasin.org
- 6.03. For purposes of Section 11.01 of the General Conditions:
- (a) the Association's address is:  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and
  - (b) the Association's Electronic Address is:  
Telex: 248423 (MCI)                      Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Boutheina Guermazi*

\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_  
Boutheina Guermazi

**Title:** \_\_\_\_\_  
Director, Regional Integration

**Date:** \_\_\_\_\_  
06-Jun-2023

**EASTERN NILE TECHNICAL REGIONAL OFFICE**

**By**

*Dr Salih Hamad Hamid*

\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_  
Dr Salih Hamad Hamid

**Title:** \_\_\_\_\_  
ENTRO Executive Director

**Date:** \_\_\_\_\_  
07-Jun-2023

## SCHEDULE 1

### Regional Project Description

The objective of the Regional Project is to improve the management of water-related climate impacts in Eastern and Southern Africa.

The Regional Project consists of the following parts:

#### Part 1: Risk Management and Climate Financing

##### 1.1. Climate and Disasters Risk Management

###### *National Level*

###### (a) All Participating Countries

(i) Development of early warning systems (EWS), including acquisition, installation and rehabilitation of hydromet stations and monitoring equipment, software and technical assistance to national hydromet agencies; (ii) support to integration of remote sensing and satellite-based monitoring in EWS; (ii) capacity building for increased participation in regional knowledge and data sharing for hydromet and EWS; (iv) knowledge sharing events, and investments to ensure long-term data sharing arrangements; and (v) support to information exchange and experience sharing with riparian countries on flood and drought risk management, river basin planning, disaster risk management, flood forecasting, hydrological and metrological data exchange.

###### (b) Comoros

(i) Carrying out of a feasibility study for a cellular system/application for the rapid dissemination of alerts and access to meteorological information.

(ii) Training of staff of *l'Agence Nationale de l'Aviation Civile et de la Météorologie* (ANACM).

(iii) Acquisition of automated weather stations, tide gauge and buoys.

(iv) Rehabilitation of data receiving station, strengthening of the maintenance capacity of ANACM, and acquisition of equipment, including servers.

- (v) Operationalization of the Marine Meteorology and Oceanography Service.
  - (vi) Enhancement of the preparedness and response capacity of *Direction Générale de la Sécurité Civile (DGSC)/Centre des Opérations de Secours et de la Protection Civile* at the territorial and community level through: (A) training of staff and development of technical specifications and acquiring equipment for a national emergency operations center and search and rescue, (B) development of the emergency management database, (C) development of regional and municipal contingency plans and community-based disaster risk management plans, in consultation with women and women's groups, (D) feasibility study, design, and bidding documents for territorial offices of the DGSC, and (E) a national emergency operations plan informed by community characteristics.
- (c) Madagascar
- (i) Strengthening of hydrometeorological systems managed by the *Direction Générale de la Météorologie*.
  - (ii) Strengthening of EWS, including the establishment and operationalization of the regional offices of the National Risk and Disaster Management Office and the installation of water resources monitoring networks in the Mandrare basin.
  - (iii) Capacity building of concerned entities and elaboration of maintenance and management protocols for water resources monitoring networks.
  - (iv) Operationalization and mobilization of the national disaster fund.
- (d) Mozambique
- (i) Establishment of river basin and city-centered early warning and information flow systems accessible to vulnerable people.
  - (ii) Establishment of a river basin and city-based risk reduction strategy, and related preparedness and emergency response plans.
  - (iii) Updating of existing flood models of the transboundary river basins Limpopo and Zambezi to incorporate flood forecast components.

- (iv) Development of flood maps and flood risk assessments in key areas.
- (e) South Sudan
  - (i) Establishment of a water information management system.
  - (ii) Development of a hydro-informatics program housed at Ministry of Water Resources and Irrigation (MWRI), including data collection, curation, and calibration of hydrologic and meteorological models to enable flood and drought forecasting, integration of remote sensing and satellite-based monitoring, and strengthening of MWRI's capacity to prepare, disseminate and communicate hydro-meteorological forecasts to other government entities, local authorities, the general public and regional entities.
  - (iii) Capacity improvement of MWRI for flood forecasting, including additional technical staff, offices, and equipment.
  - (iv) Development of flood risk models.

*Regional Level*

- (f) SADC
  - (i) Support to the operationalization of the Continental Multi-Hazard Early Warning System Framework (EWS) through the carrying out of a diagnostic on EWS level across SADC members other than the Participating Countries.
  - (ii) With respect to SADC members, development of standardized data and information sharing formats and procedures at the national level, including standard warning templates and protocols for climate risk identification systems to prioritize areas of social protection risk reduction interventions.
  - (iii) With respect to SADC members, south-south knowledge exchange and cooperation, including for strengthening of regional capacity and data sharing for hydromet information.
  - (iv) With respect to SADC members, dissemination and communication of specialist sectoral products produced by the Regional Specialized Meteorological Centers.



- (v) With respect to SADC members, development of drought severity designations for the region and procedures for triggering of assistance across boundaries

- (g) ENTRO

Validation of flood and drought forecasting models in selected areas of South Sudan and enhancing the uptake of forecasts among local governments and stakeholders.

## 1.2. Climate Financing

### *National Level*

- (a) All Participating Countries

- (i) Support to strengthening the Participating Countries' capacity to access mitigation and adaptation financing, or global public goods funds;
- (ii) creation of country-based platforms for climate advocacy and financing;
- (iii) support to outreach and roundtables.

- (b) Mozambique

- (i) Strengthening of measurement, reporting, and verification (MRV) capacity for forest degradation, and reforestation, and expansion of MRV capacity to cover other sectors.
- (ii) Support to building blocks of the regional "Integrated Miombo Management" initiative, including regional coordination bodies, regional exchanges, updating of national and provincial forest inventories.

### *Regional Level*

- (c) SADC

- (i) Promotion of regional risk financing solutions, support to regional exchanges of participating SADC countries to African countries with advanced MRV systems, and support to participating SADC countries to access climate finance.
- (ii) Coordination of regional dialogue across SADC countries, including the development of a roadmap and action plan.

(d) ENTRO

Support to regional exchanges to African countries with advanced MRV systems and strengthening of the capacity of Nile Basin Initiative member countries to access climate finance.

**Part 2. Infrastructure Investments and Sustainable Asset Management for Climate Resilience**

2.1. Enhancing Institutional Capacity for Long Term Climate Risk Management

*National Level*

(a) All Participating Countries

(i) Provision of technical assistance to strengthen the legal, regulatory, and institutional framework for climate-resilient water resources management, including strengthening of regional and transboundary collaboration; (ii) capacity building at the national and sub-national levels on: (A) flood infrastructure technical aspects, including design standards, dam and embankment safety, and technical review and management, (B) integrated water resources management for building climate change resilience, including transboundary water management and strengthening climate-resilient public investment management capacity planning, prioritization, siting, design, and execution; and (C) regional knowledge exchanges and events on related topics.

(b) Comoros

Carrying out of a national water security diagnostic and strategic studies to support the government's medium- and long-term planning for water supply access in the country, identification of flood/drought hotspots, and development of risk-informed urban development plans, including drainage plans and a strategy for water use and retention.

(c) Madagascar

Carrying out of a national water security diagnostic and strategic studies to support the government's medium- and long-term planning for water supply access in the country, and identification of flood/drought hotspots.

(d) Mozambique

(i) Improvement of the hydrometeorological and hydrogeological network and information system in selected basins.

- (ii) Development of basin plans, such as in Licungo, Meluli, and Monapo.
  - (iii) Update of the hydrogeological map.
  - (iv) Implementation of the recommendation of an ongoing dam safety plan (dam safety assessments, trainings, and capacity building).
- (e) South Sudan
- (i) Development of a national water resources master plan.
  - (ii) Provision of technical assistance to: (A) develop national technical standards and guidelines related to the project, including climate resilient flood protection, water storage structures, and retention/infiltration basins; (B) establish procedures for review and approval of technical and financial feasibility studies, and for oversight of environmental and social risks associated with water resources management investments; (C) develop a regulatory framework for watershed management to support flood risk management, such as land zoning, riparian buffers and conflict-sensitive approaches to resettling communities living in highly flood-prone areas; (D) undertake strategic studies to address knowledge gaps within the integrated water resources management framework; and (E) facilitate stakeholder consultations on revisions to the 2015 Water Bill and accompanying legislation to enhance coordination across governance levels for water resources management and align the water sector policy and regulatory framework.

*Regional Level*

- (f) SADC
- (i) Organization of regional and south-to-south knowledge exchanges.
  - (ii) Provision of technical assistance, including coordinating efforts on transboundary water management.
  - (iii) Scaling up of the activities and outcomes of the Southern Africa Drought Resilience Initiative.
  - (iv) Support to participating SADC countries to explore nature-based solutions and integrate them into planning.

- (v) Pilot of a Transboundary Distributional Impact of Investments methodology in the Okavango basin, with the Permanent Okavango River Basin Water Commission, including:  
(A) development of a tool to prioritize pro-poor and resilient investments at the transboundary and country level;  
(B) assessment of the contribution of basin activities to job creation, economic growth and environmental and social benefits;  
and (C) distributional effect of different benefit sharing strategies.

- (g) ENTRO

Provision of technical assistance, including coordinating efforts on transboundary water management in relation to identified sub-projects.

## 2.2. Closing the Climate Resilient Infrastructure Gap

### *National Level*

- (a) Comoros

Carrying out of studies on, *inter alia*, water storage for drinking water supply, on alternative sources of drinking water, on possible future applications of desalination systems, and on priority investments for water supply based on the national water security diagnostic, carrying out of flood risk assessments and a feasibility study, and detailed design and bidding document preparation and preparation of environmental and social instruments for the drainage network.

- (b) Madagascar

- (i) Carrying out of feasibility studies, detailed design, and preparation of environmental and social instruments for critical drought and flood management infrastructure in the southern and eastern parts of the country, namely: (A) investments for a multi-purpose reservoir, and associated water supply, irrigation, access roads, energy, and storage works along the Mandrare river, and human interventions in the southern part; and (B) investments selected as part of a detailed multi-hazard risk assessment in the eastern part.

- (ii) Carrying out of dam safety assessments and formulation of action plans for selected dams and targeted Jiro Sy Rano Malagasy (JIRAMA) water supply infrastructure.

- (iii) Carrying out of master planning and urban development planning processes for selected urban and rural areas.

- (iv) Provision of technical assistance, including recruitment of a panel of experts, to review technical documents, provide capacity building, and advise the government.
- (c) Mozambique
- (i) Carrying out of feasibility studies, detailed design, and environmental and social assessments for increasing dam safety and flood protection infrastructure in transboundary basins.
  - (ii) Carrying out of feasibility studies, detailed designs, and social and environmental assessments for new storage in the north, including options for supplementing water supply in selected areas, and feasibility studies for multipurpose storage to be identified in an ongoing multicriteria analysis and that will focus on strategic basins in the northern part of the country.
  - (iii) Carrying out of high priority remedial works to ensure the safety of existing storage and rehabilitation of water management and flood protection infrastructure carrying not more than substantial environmental and social risk.
  - (iv) Review of technical documents related to dam safety by a panel of experts.
- (d) South Sudan
- (i) Carrying out of feasibility studies and environmental and social impact assessment, and engineering designs for high-priority flood management interventions.
  - (ii) Construction and rehabilitation of priority flood management infrastructure in target river sub-basins, with a focus on protecting forcibly displaced populations, refugees, and host communities.

*Regional Level*

(e) SADC

Support to strengthening the dialogue among riparian countries, namely, Mozambique, Malawi, and South Africa, on dam safety and coordinated operations, and promotion of south-south exchanges on best practices for multi-purpose storage development and flood risk management infrastructure to participating SADC countries.

(f) ENTRO

- (i) Development of integrated flood management plans for transboundary basins shared by South Sudan and upstream riparians to identify measures to reduce flooding in South Sudan.
- (ii) Identification of investments and carrying out of feasibility analysis of flood hazard reduction sub-projects in transboundary basins.

2.3. Sustainable Asset Management

*National Level*

(a) All Participating Countries

Carrying out of a diagnostic in all Participating Countries, including an evaluation of the legal and institutional framework and flow of funds, and identification of proposed studies for defining an approach to public asset management and minimal standards for setting up a regional or national maintenance fund, and related capacity building.

(b) Madagascar

- (i) Updating and dissemination of the national standard on construction of flood protection infrastructure and the national directive for climate resilient drinking water infrastructures.
- (ii) Design and support for implementation and dissemination of selected national policies and guides and norms on sustainability of infrastructure.
- (iii) Carrying out of studies on the operation and maintenance and contingency planning for the infrastructure under Part 2.2(b) of this Schedule.

(c) Mozambique

- (i) Review and update of the legal framework for proposing proper water quality and flood protection principles, and review of the hydropower fee/tariff, including support for the revision of the Water Law.

- (ii) Carrying out of studies for defining an approach to public asset management and minimal standards for setting up a regional or national maintenance fund, including a study of water fees for different water users to get cost recovery, how to achieve it, and establishing an asset maintenance fund.
- (iii) Capacity building for the implementation of a dike manual.
- (d) South Sudan  
  
Capacity building, provision of technical assistance, preparation of standards and guidelines, and the development of an asset management database to be housed in MWRI.

*Regional Level*

- (e) SADC  
  
Organization of regional knowledge exchanges, and provision of technical assistance to participating SADC countries, including on the development of standards and on options for improving maintenance of assets.

**Part 3. Adaptive Climate Services for Resilient Communities**

3.1. Empowering Communities to Manage Climate Risk

*National Level*

- (a) All Participating Countries
  - (i) Preparation or improvement of flood and drought contingency plans and simulation exercises; and (ii) support to enhancing capacity of beneficiary communities to actively participate in asset operation and maintenance through training and education programs targeting women and youths.
- (b) Comoros  
  
Carrying out of activities to contribute to the capacity building of communities to manage local climate risks and implementation of the Action Plan of the National Strategy for Disaster Risk Reduction.
- (c) South Sudan  
  
Support to the development and implementation of a national awareness raising campaign on flood adaptation.

### 3.2. Mainstreaming Climate Resilience in Social Protection Programs

#### *National Level*

##### (a) Comoros

- (i) Support to improving coordination between social protection and disaster risk management institutions.
- (ii) Support to improving access to climate information, including through the development of a multidimensional analysis or evaluation of social protection systems to address high vulnerability to climate risks, climate risk vulnerability and poverty maps to assist in geographic targeting of intervention areas and linking such maps to the beneficiary register (and later social register), and improved tools for targeting vulnerable households in areas exposed to climate shocks.
- (iii) Strengthening of the implementation capacity of adaptive social protection programs at the national, regional, and local level.

##### (b) Mozambique

- (i) Support to improving coordination between social protection agencies and disaster risk management agencies.
- (ii) Support to improving access to climate information, including through the development of a multidimensional analysis or evaluation of social protection systems to address high vulnerability to climate risks, climate risk vulnerability and poverty maps to assist in geographic targeting of intervention areas and linking such maps to the beneficiary register (and later social register), and improved tools for targeting vulnerable households in areas exposed to climate shocks.
- (iii) Strengthening of the implementation capacity of adaptive social protection programs at the national, regional, and local level.
- (iv) Carrying out of a study on contingency funding and the triggers to access those funds.

##### (c) Madagascar

- (i) Provision of technical assistance to develop specific climate-informed social protection programs and their manuals, including strengthening



their climate dimension, and carrying out of knowledge sharing activities, and a mechanism for digitalizing *Fonds d'Intervention pour le Développement* (FID) systems.

- (ii) Support to *Ministère de la Population et de la Protection Sociale et de la Promotion de la Femme* (MPPSPF) for updating the unique social registry to include new geographic areas; and carrying out an assessment of FID programs.

(d) South Sudan

- (i) Support to strengthen coordination and participation of water institutions into social protection programs, including bringing expertise on impacts of climate change on water resources and resilient planning.
- (ii) Carrying out of awareness raising activities and promotion of generation of jobs prioritized for social protection recipients.

*Regional Level*

(e) SADC

- (i) Support to the implementation of operation and coordination manuals for adaptive social protection and promoting their harmonization across the SADC region for easier communication and more effective implementation.
- (ii) Carrying out of regional exchanges with other countries and similar type of adaptive social protection programs.

(f) ENTRO

Carrying out of awareness raising activities and promotion of best practices for resilient livelihoods in target areas.

#### **Part 4. Project Management**

Support to project management including: (a) equipment and materials (including office rehabilitation), technical assistance and compliance with fiduciary (including audits), procurement, and environmental and social risk management requirements, security planning and management, remote supervision, monitoring and evaluation, impact assessment, and knowledge management and communication; (b) set up and operation of grievance redress mechanisms; (c) participation of representatives and coordinators of each Participating Country and SADC and ENTRO in the Regional Steering Committee;

(d) other project operating costs; and (e) in South Sudan, support to the implementation of security management plans and third-party monitoring.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

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

1. The Recipient shall:
  - (a) maintain, for purposes of the Project, at all times during the implementation of the Project, the existing ENTRO implementation organization, consisting of a core team of ENTRO staff, with functions, composition and resources satisfactory to the Association; and
  - (b) for purposes of the Project, hire, not later than three (3) months after the Effective Date, a lead water specialist with terms of reference, qualifications, and experience satisfactory to the Association, to reinforce the implementation organization and provide support to South Sudan.
2. The Recipient shall designate a representative(s) to be member(s) of the Regional Steering Committee to be established for the Regional Project.

##### **B. Implementation Agreement**

1. For purposes of carrying out the Project in conformity with appropriate technical standards, the Recipient shall (a) cause the NELSAP-CU to carry out technical development and supervision of specific Project-related activities to meet Project requirements and deadlines, and (b) transfer part of the proceeds of the Financing to the NELSAP-CU to support these Project-related activities. To this end, the Recipient shall enter into an implementation agreement with NELSAP-CU (“Implementation Agreement”) under terms and conditions approved by the Association, which shall include:
  - (i) The undertaking by the NELSAP-CU to carry out the activities in accordance with the provisions of this Agreement and the provisions of the Anti-Corruption Guidelines;
  - (ii) The right of the Recipient and of the Association to require an audit of the NELSAP-CU’s records and accounts; and
  - (iii) The right of the Recipient to suspend or seek refund of funds transferred to NELSAP-CU for Project-related activities.
2. The Recipient shall exercise its rights under the Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to

accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

**C. Project Implementation Manual (PIM)**

1. The Recipient shall, not later than one (1) month after the Effective Date, prepare and adopt, in accordance with terms of reference acceptable to the Association, a Project Implementation Manual (PIM) setting out, *inter alia*, specific implementation arrangements, results framework, activity descriptions, including cooperation mechanisms with the Participating Countries and SADC, for the implementation of the Project.
2. The Recipient shall carry out the Project in accordance with this Agreement and the PIM. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the provisions of the PIM without prior approval of the Association. In the event of any conflict between the provisions of the PIM and this Agreement, the provisions of this Agreement shall prevail.

**D. Annual Work Plan and Budget**

1. Not later than May 31 in each year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association: (a) a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent fiscal year (July 1-June 30) of Project implementation, of such scope and detail as the Association shall have reasonably requested; and (b) any instruments required by the ESCP for the implementation of the activities included in the draft annual work plan and budget.
2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter, carry out (or cause to be carried out) such annual work plan and budget during such subsequent year as shall have been approved by the Association (“Annual Work Plan and Budget”). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, *inter alia*: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed Training; and (g) the estimate of the cost of such Training and any travels associated with such Training.

4. The Annual Work Plan and Budget may be revised as needed during Project implementation subject to the Association's prior written approval.

**E. Environmental and Social Standards**

1. The Recipient 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 Recipient 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 Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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 Recipient 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 Recipient 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.

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

### **A. Project Reports**

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

### **B. Mid-Term Review**

1. No later than thirty (30) months after the Effective Date, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the "Mid-Term Review"), covering the progress achieved in the implementation of the Project.
2. For the purpose of facilitating the Mid-Term Review, the Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-Term Review, a report integrating the results of the Project's monitoring and evaluation activities, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date.
3. Following the Mid-Term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, measures recommended to ensure the efficient completion of the Project and the achievement of its objective as well as any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

## **Section III. Withdrawal of the Proceeds of the Financing**

### **A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the

Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Operating Costs, and Training for the Project	3,000,000	100%
<b>TOTAL AMOUNT</b>	<b>3,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 29, 2028.

## APPENDIX

### Section I. Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Section I.D.2 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 19, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
5. “Environmental and Social Standards” or “ESSs” means, collectively:  
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
6. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December



14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.

7. “ENTRO’s Constituent Documents” mean the declaration signed by the Ministers of Water Resources of each of the Eastern Nile Countries on January 10, 2002, pursuant to which ENTRO has been established, and its headquarters agreement between the Federal Democratic Republic of Ethiopia and ENTRO dated February 16, 2002, pursuant to which it was invested with legal personality and is operating with headquarters located in Addis Ababa.
8. “Implementation Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.
9. “Mid-Term Review” means the review to be carried out pursuant to Section II.B.1 of Schedule 2 to this Agreement.
10. “Nile Basin Initiative” and the acronym “NBI” mean the intergovernmental partnership of ten Nile Basin countries based on a vision to achieve sustainable socio-economic development through equitable utilization of, and benefit from, the common Nile Basin water resources.
11. “Nile Equatorial Lakes Subsidiary Action Program” and the acronym “NELSAP” mean the investment program under the Nile Basin Initiative that seeks to contribute to the eradication of poverty, promotion of economic growth, and reversal of environmental degradation in the Nile Equatorial Lakes Region.
12. “Nile Equatorial Lakes Subsidiary Action Program Coordination Unit” and the acronym “NELSAP-CU” mean the unit vested with responsibility for managing financial resources and building sub-regional capacity for the preparation and implementation of the NELSAP.
13. “Operating Costs” means the reasonable incremental expenses directly incurred on account of the implementation, management, and monitoring of the Project, including: (i) salaries of staff (excluding civil servants); (ii) travel costs; (iii) office supplies, office rental, office and equipment maintenance and repair; (iv) fuel, vehicle maintenance; (v) communication, translation and interpretation; and (vi) supervision costs, stakeholder engagements/workshops/meetings, installation of manual gauging stations and audits, as relevant; and other miscellaneous expenses directly associated with the Project and agreed to by the Association.
14. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.

15. “Project Implementation Manual” and the acronym “PIM” mean the manual referred to in Section I.C.1 of Schedule 2 to this Agreement.
16. “Regional Steering Committee” means the committee to be established at the regional level and responsible for, inter alia, supporting coordination and promoting the regional technical platform during the implementation of the Regional Project..
17. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
18. “Training” means the reasonable expenditures (excluding costs of consultants’ services) incurred for Project-related training courses, seminars, workshops and other training activities, including costs associated with securing the services of trainers, preparation and reproduction of training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers, and other training related miscellaneous costs, all based on an Annual Work Plan and Budget agreed with the Association.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 2.06 (Financing Taxes) is modified to read as follows:

“Section 2.06 *Financing Taxes*

The use of any proceeds of the Financing to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Financing.”

2. Paragraphs (b) and (c) of Section 3.18 (Manner of Payment) are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

3. Paragraph (a) of Section 5.11 (Visits) is modified to read as follows:

“Section 5.11 *Visits*

“(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Financing or the Project.”

4. Section 6.01 (Financial and Economic Data) is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.

5. Section 8.02 (Suspension by the Association) is modified as follows:

- (a) Paragraph (j) on *Membership* is modified to read as follows:

“(j) *Membership*. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

- (b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference*. The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Financing or the Project.”

6. The Appendix (**Definitions**) is modified as follows:

- (a) Paragraph 77 (Member Country) is modified to read as follows:

“77. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

(b) Paragraph 92 (Recipient) is modified to read as follows:

“92. “Recipient” means the party to the Financing Agreement to which the Financing is extended.”