



**GRANT NUMBER E192-SS**

# **Financing Agreement**

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

**between**

**REPUBLIC OF SOUTH SUDAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**



**GRANT NUMBER E192-SS**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF SOUTH SUDAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

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 Association has decided to provide this financing on the basis, among other things, of the existence of an adequate refugee protection framework.

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 one hundred fifty-nine million nine hundred thousand Special Drawing Rights (SDR 159,900,000) (“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 June 15 and December 15 in each year.

- 2.05. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Regional Project. To this end, the Recipient shall carry out the Project through the Ministry of Water Resources and Irrigation (MWRI) 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, the Recipient no longer has an adequate refugee protection framework.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Association is satisfied that the Recipient has an adequate refugee protection framework.
  - (b) The Recipient has established the PIU, within MWRI, with composition, functions, staffing, and resources satisfactory to the Association, and has recruited/seconded the following key staff to the PIU: a project manager, a procurement specialist, an environmental specialist, a social specialist, a financial management specialist, a monitoring and evaluation specialist, and a security risk management specialist, in accordance with the provisions of Section I.A.1 (a) of Schedule 2 to this Agreement.
  - (c) The Recipient has adopted the PIM in accordance with the provisions of Section I.B.1 of Schedule 2 of this Agreement in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 Minister of Finance and Planning.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Finance and Planning  
P.O. Box 80, Juba  
Republic of South Sudan

- (b) the Recipient's electronic address is:

Email: dier.tong@mofp.gov.ss

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

AGREED as of the Signature Date.

**REPUBLIC OF SOUTH SUDAN**

**By**



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

Dier Tong Ngor

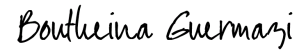
**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_  
Minister

**Date:** \_\_\_\_\_  
03-Jul-2023

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



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

Boutheina Guermazi

**Name:** \_\_\_\_\_

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

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

## **SCHEDULE 1**

### **Regional Project Description**

The objectives of the Regional Project are to improve the management of water-related climate impacts in Eastern and Southern Africa, and, in case of an Eligible Crisis or Emergency, to respond promptly and effectively to it.

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; (iii) 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 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; and (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, and (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: (i) 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; (ii) set up and operation of grievance redress mechanisms; (iii) participation of representatives and coordinators of each Participating Country and SADC and ENTRO in the Regional Steering Committee;

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

**Part 5. Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, including for the benefit of refugees and/or host communities, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient, through MWRI, shall:
  - (a) establish and thereafter maintain during the implementation of the Project, a Project Implementation Unit (PIU) within MWRI, with composition (including a project manager, a social specialist, an environmental specialist, a procurement specialist, a financial management specialist, a monitoring and evaluation specialist, and a security risk management specialist), functions, and resources satisfactory to the Association, which shall be responsible for core management functions of the Project;
  - (b) maintain during the implementation of the Project, the existing Water Sector Steering Committee, with composition, functions, staffing, and resources satisfactory to the Association, which shall be responsible for coordination of Project activities among the relevant ministries;
  - (c) by no later than ninety (90) days after the Effective Date, establish and thereafter maintain during the implementation of the Project, a National Project Technical Working Group, with composition, functions, staffing, and resources satisfactory to the Association, which shall be responsible for providing guidance and oversight of Project activities; and
  - (d) cause the establishment of State Coordination Committees in Project states, with composition, functions, staffing and resources satisfactory to the Association, which shall be responsible for facilitating coordination of Project activities between the national and subnational levels.
2. The Recipient shall designate a coordinator and a representative of MWRI to be members of the Regional Steering Committee to be established for the Regional Project.

##### B. Project Implementation Manual (PIM)

1. The Recipient, through MWRI, shall 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 other Participating Countries, SADC and ENTRO, for the implementation of the Project.

2. The Recipient, through MWRI, 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.

**C. Third-Party Monitoring**

The Recipient, through MWRI, shall, no later than one hundred eighty (180) days after the Effective Date, engage and thereafter maintain at all times during the implementation of the Project, a third-party monitoring agent, in accordance with terms of reference satisfactory to the Association, to monitor and review performance of the Project.

**D. Annual Work Plan and Budget**

1. The Recipient shall prepare and furnish to the Association not later than May 31 of each fiscal year (or not later than one month after the Effective Date for the first year of Project implementation), a work plan and budget containing, *inter alia*: (a) all activities proposed to be implemented under the Project during the following fiscal year; (b) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing to be made available in that year and disbursement schedule; and (c) the training plan for such period.
2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed annual work plan and budget and shall thereafter ensure that the Project is implemented with due diligence during the applicable fiscal year in accordance with such work plan and budget as shall have been approved by the Association (“Annual Work Plan and Budget”).
3. The Recipient shall not make, or allow to be made, any changes to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

**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.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and

supervising entities 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.

**F. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent

Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

### **A. Project Reports**

1. 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.
2. The Recipient shall ensure that each third-party monitoring report from the third-party monitoring agent, prepared in accordance with terms of reference acceptable to the Association is furnished to the Association within forty-five (45) days after the end of the period covered by said report.

### **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 objectives 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 objectives 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 objectives 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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; 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, works, non-consulting services, consulting services, Operating Costs, and Training under Parts 1, 2 and 3 of the Project	148,340,000	100%
(2) Goods, non-consulting services, consulting services, Operating Costs, and Training under Part 4 of the Project	8,920,000	100%
(3) Refund of Preparation Advance	2,640,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(4) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	159,900,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date;
  - (b) under Category (1) until and unless the Recipient has adopted the Stakeholder Engagement Plan and the Security Risk Assessment/Security Management Plan, in form and substance satisfactory to the Association;  
or

- (c) for Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures:
  - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is December 29, 2028.

## APPENDIX

### 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. “CERC Manual” means the manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
5. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
6. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with: (i) a flood or cyclone causing destruction or contamination or both, and limiting access to water services; (ii) a drought affecting water supplies for human consumption and livestock; (iii) a localized water-borne disease epidemic related to a flood or cyclone, or a drought emergency, and (iv) conflict-related impact to water infrastructure.
7. “Emergency Action Plan” means the plan referred to in Section I.F.1 of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
8. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
9. “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.

10. “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.
11. “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).
12. “Mid-Term Review” means the review to be carried out pursuant to Section II.B.1 of Schedule 2 to this Agreement.
13. “Ministry of Finance and Planning” means the Recipient’s ministry responsible for finance, or any successor thereto.
14. “Ministry of Water Resources and Irrigation” and the acronym “MWRI” means the Recipient’s ministry responsible for water resources and irrigation, or any successor(s) thereto.
15. “National Project Technical Working Group” means the working group referred to in Section I.A.1(c) of Schedule 2 to this Agreement.
16. “Operating Costs” means the reasonable incremental operating expenses incurred by the Recipient on account of Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel and supervision

costs, *per diem*, additional staff costs, but excluding the salaries of officials and public servants of the Recipient.

17. “Participating Countries” mean the following countries taking part in the Regional Project: Union of the Comoros, the Republic of Madagascar, the Republic of Mozambique, and the Republic of South Sudan.
18. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on October 11, 2022, and on behalf of the Recipient on October 11, 2022.
19. “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.
20. “Project Implementation Manual” or the acronym “PIM” means the manual referred to in Section I.B.1 of schedule 2 to this Agreement.
21. “Project Implementation Unit” or acronym “PIU” means the team to be established pursuant to Section I.A.1(a).
22. “Regional Project” means the project described in Schedule 1 to this Agreement.
23. “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.
24. “Security Management Plan” means the security management plan prepared by the Recipient, in accordance with the ESCP, setting out *inter alia*, the security guidelines, protocols and principles, to safeguard the lives and properties of individuals and communities involved in, affected by or benefiting from, the activities under the Project.
25. “Security Risk Assessment” means the security risk assessment carried out by the Recipient, in accordance with the ESCP.
26. “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.
27. “Stakeholder Engagement Plan” means the stakeholder engagement plan prepared by the Recipient, in accordance with the ESCP, setting out, *inter alia*, the mechanisms for identifying stakeholders, gauging their interests and providing them and their communities with systematic means and processes for inclusive and

meaningful engagement, including a grievance redress mechanism, as said instrument may be updated from time to time with the prior written concurrence of the Association.

28. “State Coordination Committees” means the committees referred to in Section I.A.1(d) of Schedule 2 to this Agreement.
29. “Training” means the reasonable cost of training under the Project, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.
30. “Water Sector Steering Committee” means the committee referred to in Section I.A1(b) of Schedule 2 to this Agreement