Global Environment Facility Trust Fund and Cooperation in International Waters in Africa Trust Fund

Project Agreement

(Sustainable Groundwater Management in SADC Member States Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Cooperation in International Waters in Africa Trust Fund

and

UNIVERSITY OF THE FREE STATE

Dated January 15, 2015
PROJECT AGREEMENT

AGREEMENT dated January 15, 2015, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, acting as an Implementing Agency of the Global Environmental Facility; the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator of the Cooperation in International Waters in Africa Trust Fund (collectively, "World Bank") and the UNIVERSITY OF THE FREE STATE ("Project Implementing Entity") in connection with the Grant Agreement ("Grant Agreement") of same date between and the World Bank and SOUTHERN AFRICAN DEVELOPMENT COMMUNITY ("Recipient"). The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

1.01. The Standard Conditions (as defined in the Appendix to the Grant Agreement) constitute an integral part to this Agreement. To this end, all obligations and responsibilities of the Recipient set forth in Sections 4.02 through 4.06 of Article IV, and Articles V, VI and VII of the Standard Conditions, as well as any references therein to the Grant Agreement, shall be construed, mutatis mutandis, as obligations and responsibilities of the Project Implementing Entity, and references to this Project Agreement respectively.

1.02. Unless the context requires otherwise, the capitalized terms used in this Project Agreement have the meanings ascribed to them in the Grant Agreement (including the Appendix thereto) or the Standard Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall: (i) carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, economic environmental and social standards and practices satisfactory to the World Bank; and (ii) provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement, and Article II of the Standard Conditions.

ARTICLE III — TERMINATION

3.01. This Agreement shall come into force and effect on the date upon which the Grant Agreement becomes effective.
3.02. This Agreement and all obligations of the World Bank and the Project Implementing Entity thereunder shall terminate on the date on which the Grant Agreement shall terminate in accordance with its terms, and the World Bank shall promptly notify the Project Implementing Entity thereof.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Vice Chancellor.

4.02. The World Bank’s Address is:

International Development Association
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD  Telex: 248423 (MCI) or 64145 (MCI)  Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

University of the Free State
205 Nelson Mandela Avenue
Park West
Bloemfontein 9301
Republic of South Africa

Facsimile: 27-514012591
AGREED at Washington D.C., United States and at Bloemfontein, South Africa, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the
Global Environment Facility

INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as administrator of the Cooperation in International
Waters in Africa Trust Fund

By

Authorized Representative

Name: Colin Bruce

Title: Director, Regional Integration

UNIVERSITY OF THE FREE STATE

By

Authorized Representative

Name: J0 Jansen

Title: Vice-Chancellor
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. SADC Secretariat; Directorate for Infrastructure and Services

The Project Implementing Entity shall, at all times during the implementation of the Project, maintain close coordination with the SADC Directorate for Infrastructure and Services to ensure adequate guidance in the management of the Project.

2. Project Management Unit and SADC Groundwater Management Institute

   (a) The Project Implementing Entity shall, at all times during the implementation of the Project, maintains a management unit (Project Management Unit) with functions, resources, staffing and mandate satisfactory to the World Bank, for the purpose of day-to-day implementation and management of the Project.

   (b) Without limitation to sub-paragraph (a) above, the Project Management Unit shall be responsible for supporting the daily coordination, execution, administration, monitoring and evaluation of Project activities, including compliance with the fiduciary (financial management and procurement), environmental and social safeguard management and reporting requirements under the Project.

   (c) Without limitation to sub-paragraph (a) above, to ensure sustainable capacity for the SADC GMI for Project implementation and management, the Project Implementing Entity shall, at all times during the implementation of the Project ensure consistent and adequate transfer of technical and advisory resources to the SADC GMI, and thereafter maintain within SADC GMI, key staff, including a project manager, a procurement specialist, a financial management specialist and a programme officer, all with qualifications, experience and terms of reference satisfactory to the World Bank.

3. SADC GMI

The Project Implementing Entity shall at all times during the implementation of the Project host the SADC GMI, including providing the administration services, office space and access to the Project Implementing Entity’s facilities, as may be necessary to facilitate the functions of the SADC GMI.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Project Implementing Entity shall enter into the Subsidiary Agreement with the Recipient in accordance with the provisions of Section I.B of Schedule 2 to the Grant Agreement.
C. Project Implementation Manual; Subgrants Manual

1. The Project Implementing Entity shall carry out the Project (except Parts A.3, D.1 and D.2) in accordance with the provisions of the Project Implementation Manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Project Implementing Entity shall carry out Parts A.3, D.1 and D.2 of the Project in accordance with the provisions of the Subgrants Manual, containing, inter alia: (a) detailed arrangements and procedures for management, supervision, monitoring, evaluation and reporting of the respective Activities; (b) disbursement and funds flow arrangements; (c) procedures for procurement and financial management setting forth, inter alia, the procurement and financial management responsibilities of the respective Beneficiaries; (d) guidelines for the carrying out of the respective Activities, including, the eligibility criteria for determining the Beneficiaries, and detailed procedures for the selection, approval and implementation of respective Activities; and (e) a sample format of a Subgrant Agreement.

3. The Project Implementing Entity shall, not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual or the Subgrants Manual without the prior written agreement of the World Bank; provided that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual or the Subgrants Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

E. Environmental and Social Safeguards

1. The Project Implementing Entity shall carry out the Project (and particularly any works for promotion of groundwater infrastructure under Part D of the Project) in accordance with the EMF and the RPF and any environmental management plan, process framework or resettlement action plan (Safeguard Instruments).

2. The Project Implementing Entity shall: (a) not amend, suspend, abrogate, repeal or waive any Safeguard Instrument without prior approval in writing by the World Bank; and (b) ensure that adequate information on the implementation of respective Safeguard Instruments (including information on how potential negative impact has been minimized), is suitably included in the Project Reports referred to in Section II.A.1 of this Schedule.
3. The Project Implementing Entity shall ensure that:

(a) if an environmental management plan would be required on the basis of the EMF, said environmental management plan shall be prepared by the Project Implementing Entity in consultation with the Recipient and the pertinent SADC Member State, in accordance with the requirements of the EMF and disclosed locally and furnished to the World Bank for approval; or

(b) if a process framework or a resettlement action plan would be required on the basis of the RPF, said process framework or resettlement action plan shall be prepared by the Project Implementing Entity in consultation with the Recipient and the pertinent SADC Member State, in accordance with the requirements of the RPF, disclosed locally and furnished to the World Bank for approval; and

(d) no groundwater infrastructure shall commence until: (i) all measures required to be taken under said environmental management plan or process framework or resettlement action plan have been taken in accordance with the terms of said environmental management plan or process framework or resettlement action plan and in a manner acceptable to the World Bank; and (ii) the Project Implementing Entity has furnished to the World Bank a report in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said environmental management plan or process framework or resettlement action plan.

F. Small Subgrant Scheme for Activities under Parts A.3, D.1 and D.2 of the Project.

The Project Implementing Entity shall carry out the Small Subgrant Scheme financed Activities under Parts A.3, D.1 and D.2 of the Project in accordance with the provisions of Section 1.F of Schedule 2 to the Grant Agreement, and the Subgrants Manual.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each such Project Report shall cover the period of six (6) months, and shall be furnished to the Recipient not later forty-five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall: (a) on or about the dates twenty-four (24) months after the Effective Date, prepare and furnish to the World Bank and the Recipient a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objective during the period following such date; and (b) review with the World Bank and the Recipient such mid-term report, on or about the date one month
after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the World Bank’s views on the matter.

3. The Project Implementing Entity shall prepare the Completion report in accordance with the provision of Section 2.06 of the Standard conditions. The Completion Report shall be furnished to the Recipient and the World Bank not later than six (6) months after the Closing Date. In order to assist the Project Implementing Entity in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall, not later than forty-five (45) days after the end of each calendar quarter, prepare and furnish to the Recipient and the World Bank interim unaudited financial reports for the Project, covering expenditures incurred during the said quarter, in form and substance acceptable to the World Bank.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the World Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

4. The Project Implementing Entity shall, not later than six months after the Effective Date, prepare and submit to the World Bank, terms of reference for the external auditor, in form and substance satisfactory to the World Bank.

Section III. Procurement

All goods and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.