Project Agreement

(Eswatini Water Supply and Sanitation Access Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

ESWATINI WATER SERVICES CORPORATION
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and ESWATINI WATER SERVICES CORPORATION (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of the Signature Date between Kingdom of Eswatini (“Borrower”) and the Bank, concerning Loan No. . The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan 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 Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

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

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is Managing Director.

3.02. For purposes of Section 10.01 of the General Conditions: (a) the Bank’s address is:
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank’s Electronic Address is:
Telex: Facsimile: E-mail:
248423(MCI) or 1-202-477-6391 mmarienelly@worldbank.org
64145(MCI)
3.03. For purposes of Section 10.01 of the General Conditions: (a) the Project Implementing Entity’s address is:

Eswatini Water Services Corporation
Emtnjeni Building
Corner MR 103, H100
Eswatini; and

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

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<thead>
<tr>
<th>Telex</th>
<th>Facsimile</th>
<th>E-mail</th>
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<tbody>
<tr>
<td>2416 9000</td>
<td>2416 3616</td>
<td><a href="mailto:headoffice@swsc.co.sz">headoffice@swsc.co.sz</a></td>
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AGREED as of the later of the two dates written below.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
Marie Francoise Marie-Nelly
Name: Marie Francoise Marie-Nelly
Title: Country Director
Date: 01-May-2020

ESWATINI WATER SERVICES CORPORATION

By

Authorized Representative
Jabulile Mashwama
Name: Jabulile Mashwama
Title: Managing Director
Date: 05-May-2020
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Implementing Entity shall maintain at all times during the implementation of the Project, a Project Implementation Unit (“PIU”), with a mandate, terms of reference, composition and resources satisfactory to the Bank, to be responsible for the overall implementation and coordination of activities. Notwithstanding the afore-mentioned, the Project Implementing Entity shall staff the PIU with: (a) one (1) manager/coordinator; (b) key specialists in the areas of engineering, environmental, social, procurement and financial management; and (c) sub-coordinators from the Environmental Health Department (“EHD”) at the Ministry of Health (“MOH”), the Department of Water Affairs (“DWA”) and the National Disaster Management Agency (“NDMA”).

2. Prior to carrying out the implementation of Parts 1.2, 1.3 and 2 of the Project, the Project Implementing Entity shall enter into, and thereafter maintain at all times during the implementation of the Project, a memorandum of understanding with DWA, NDMA and MOH, under terms and conditions satisfactory to the Bank, including the following provisions: (a) DWA, NDMA and MOH shall be responsible for providing technical support to the Project Implementation Entity for the carrying out of Parts 1.2, 1.3 and 2 of the Project respectively; and (b) the Project Implementation Unit shall: (i) be responsible for all the financial management, procurement, and environmental and social aspects of Parts 1.2, 1.3 and 2 of the Project; and (ii) not transfer any Loan proceeds to DWA, NDMA and MOH.

B. Project Operations Manual

1. The Project Implementing Entity shall maintain throughout the implementation of the Project, the Project Operations Manual in a manner satisfactory to the Bank.

2. The Project Implementing Entity shall:

(a) carry out the Project, in accordance with the Project Operations Manual, which contains detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures; roles and responsibilities of various ministries, departments, agencies and the Project Implementation Entity in the implementation of the Project and
such other arrangements and procedures as shall be required for the effective implementation of the Project; and

(b) except as the Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Operations Manual.

3. In case of conflict between the provisions of the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

C. **Environmental and Social Standards.**

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Project Implementing Entity has, thereafter, disclosed the revised ESCP.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Project Implementing Entity shall:

   (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, 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) promptly notify the Bank 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, including, explosions, spills, and any workplace accidents that result in death, serious or multiple injury, pollution, or any violent labor unrest or dispute between the Project Implementing Entity and local communities, any case of gender-based violence, or any incidents in or related to international waterways or disputed areas, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

5. The Project Implementing Entity shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar quarter and shall be furnished to the Borrower not later than one (1) month after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.