Project Agreement

(Water and Sanitation Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NORTHERN WATER WORKS DEVELOPMENT AGENCY (NWWDA)
PROJECT AGREEMENT

AGREEMENT between the INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association") and the Norther Water Works Development Agency ("NWWDA") ("Project Agreement"/ "Agreement") in connection with the IDA Financing Agreement (Credit No. 6029-KE) and the IDA SUF Financing Agreement (Credit No. 6030-KE) (collectively the "Financing Agreements") of the Signature Date between the Republic of Kenya ("Recipient") and the Association. The Association and the NWWDA hereby agree as follows:

ARTICLE I—GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the IDA SUF Financing Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreements or the General Conditions.

ARTICLE II—PROJECT

2.01. NWWDA declares its commitment to the objectives of the Project. To this end, NWWDA shall carry out its Respective Part of the Project in accordance with the provisions of Article IV 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 NWWDA’s Respective Part of the Project.

ARTICLE III—TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV—REPRESENTATIVE; ADDRESSES

4.01. NWWDA’s Representative is Abdikadir Noor Osman

4.02. For purposes of Section 9.01 of the General Conditions: (a) the Association’s address is:

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

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423(MCI) or 1-202-477-6391
4.03. For purposes of Section 9.01 of the General Conditions: (a) NWWDA’s address is:

Northern Water Works Development Agency,
Maji House - Kismayu Road, 
P. O. Box 495 - 70100,
GARISSA - KENYA.

(b) NWWDA’s Electronic Address is:

Telephone: +254462103598, +254711559995  
E-mail: info@nwsb.go.ke

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: C. FELIPE JARAMILLO
Title: COUNTRY DIRECTOR
Date: 08/05/2020

NORTHERN WATER WORKS DEVELOPMENT AGENCY

By

Authorized Representative

Name: ABDIKADIR MOALLAM
Title: CHIEF EXECUTIVE OFFICER
Date: 8/05/2020

SCHEDULE
Execution of NWWDA's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements.

1. NWWDA shall carry out its Respective Part of the Project in accordance with the arrangements and procedures set out in the Project Implementation Manual (PIM), provided that (a) if there is a conflict between the provisions set out in the PIM and the provisions of this Agreement, this Agreement shall prevail, and (b) the PIM shall not be amended, abrogated or any provision thereof waived unless the Association has provided its prior written ‘no-objection’.

2. NWWDA shall within ninety (90) days from the signature date of this Agreement establish and thereafter, maintain throughout the implementation of NWWDA’s Respective Part of the Project to the satisfaction of the Association, a Project Coordination Unit (PCU) with adequate resources and facilitation including the identification of and provision of training opportunities and composed of key staff, with qualifications, experience and under terms of reference acceptable to the Association, including a Project coordinator (who shall be the head of the PCU), technical specialists in engineering, procurement, financial management, environmental and social safeguards, environment, health and safety (EHS), monitoring and evaluation and any other technical, fiduciary, and safeguard specialists as may have been agreed with the Association and as further detailed in the PIM. The PCU shall be responsible for the day to day implementation of NWWDA’s Respective Part of the Project, including, inter alia, ensuring coordination with key stakeholders (particularly MoWSI, relevant PCGs and WSPs), monitoring and evaluation and reporting on NWWDA’s Respective Part of the Project, as further detailed in the PIM.

3. NWWDA shall within six (6) months after execution of the subsidiary agreement as provided in paragraph B of Section I to this Schedule, prepare and adopt a Community Outreach Strategy (the “Strategy”) in form and substance satisfactory to the Association. The Strategy shall set out detailed guidelines, methods and procedures for ensuring public awareness and carrying out community outreach programs in regard to NWWDA’s Respective Part of the Project and shall include stakeholder engagement protocols and community roles in operations and maintenance.

B. Subsidiary Agreement

To facilitate the carrying out of NWWDA’s Respective Part of the Project, NWWDA shall enter into a subsidiary agreement with the Recipient (the “NWWDA Subsidiary Agreement”), under terms and conditions approved by the Association and as further set out in Section I.B2. of Schedule 2 of the IDA SUF Financing Agreement.

C. Project Implementation Manual (PIM)
NWWDA shall adopt and, thereafter, carry out the Project in accordance with the requirements set forth in the PIM.

D. Safeguards

1. NWWDA shall ensure that its Respective Part of the Project is implemented in accordance with the Safeguard Frameworks and the Safeguard Instruments. To that end, if any activities under NWWDA’s Respective Part of the Project would, pursuant to the relevant Safeguard Framework, require the preparation of a Safeguard Instrument, NWWDA shall ensure that said activities shall not be implemented unless and until said Safeguard Instrument has been: (a) prepared, in accordance with the relevant Safeguard Framework and furnished to the Association for approval; and (b) disclosed following approval of the Association; and (c) all measures required to be taken thereunder prior to the commencement of said Project activities, have been taken.

2. NWWDA shall, prior to commencement of any activities under its Respective Part of the Project, undertake an assessment, as required under the ESMF, of potential negative impacts to the natural habitats, and if the assessment shows that: (a) some species are at risk of being negatively affected by the said activities, NWWDA shall undertake special studies to protect or preserve such species identified; and (b) irreversible damage would be done to some species because of the activities under its Respective Part of the Project, such activities will be excluded from the Project.

3. NWWDA shall ensure that all advisory, analytical, planning, institutional capacity building, strategizing and such other services carried out under NWWDA’s Respective Part of the Project shall be carried out according to terms of reference, satisfactory to the Association, requiring such services to deliver products which take into account, and are consistent with, the Association’s social and environmental safeguard policies.

4. NWWDA shall, in its Project Reports, report on progress made on compliance with the Safeguards Instruments under the Project, giving details of measures taken in furtherance of the Safeguard Instruments and any conditions which interfere or threaten to interfere with the timely implementation of the Safeguards Instruments, and remedial measures taken or required to be taken to address such conditions.

5. Except as the Association shall otherwise agree, NWWDA shall ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

6. NWWDA shall, prior to the commencement of any contract for civil works under NWWDA’s Respective Part of the Project, ensure and maintain clear operating procedures for a functional Environmental and Social Management System (ESMS) to be applied to all civil works under its Respective Part of the Project, including, inter alia, EHS standard operating procedures, stakeholder engagement protocols, labor management procedures, monitoring of grievance redress mechanisms for communities and project workers, code of conduct for project workers, bids and request for proposals templates embedded with
A. Project Reports

1. NWWDA shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar quarter and shall be furnished to the Recipient not later than two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reporting and Audits

NWWDA shall: (a) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its Respective Part of the Project; (b) have the Financial Statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association and furnished to the Association not later than six (6) months after the end of each fiscal year; and (c) furnish to the Association interim quarterly unaudited financial reports for the Project, in form and substance satisfactory to the Association.

Section III. Procurement

All goods, works and services required for NWWDA's Respective Part of the Project and to be financed from the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 of the IDA SUF Financing Agreement.

Section IV. Other Undertakings

A. Obligations of the NWWDA

1. NWWDA shall carry out its Respective Part of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, labor, health and safety and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for its Respective Part of the Project.

2. NWWDA shall maintain, throughout Project implementation, a structure, functions, responsibilities, and staffing acceptable to the Association.
3. NWWDA shall promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of its Respective Part of the Project, including but not limited to any Project-related accidents and incidents.

4. NWWDA shall carry out its Respective Part of the Project in compliance with the Anti-Corruption Guidelines and the Procurement Guidelines.