Ref: NBI/ADM/2021/09

March 18th, 2021

To: The International Bank for Reconstruction and Development/The International Development Association

Reference: Letter of Commitment regarding the Cooperation in International Waters Trust Fund (Nile Cooperation for Climate Resilience Project)

This Letter of Commitment represents a statement of intent by the Nile Basin Initiative Secretariat ("Nile-SEC") to work with the Eastern Nile Technical Regional Office ("ENTRO") and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit ("NELSAP-CU") (individually "the Party", together the "Parties") towards the achievement of common objectives and outlines the basis for collaboration among them for the purposes of this Project.

Unless the context requires otherwise, the capitalized terms used in this Letter of Commitment have the meanings ascribed to them in the Grant Agreement (as defined below).

1. **Background**

   (a) The International Bank for Reconstruction and Development/The International Development Association ("Bank") is an international development institution established by Articles of Agreement adopted by its member countries. The Bank’s mission is to reduce poverty, improve living conditions, and promote sustainable and comprehensive development in the developing world. It achieves these objectives by providing loans, concessional financing, technical assistance, and knowledge-sharing services to its member countries and through partnerships with other organizations.

   (b) Further to its mission, the Bank administers the Cooperation in International Waters in Africa Trust Fund (the "TF"). The Nile Basin Initiative ("NBI" or the "Recipient") is an intergovernmental organization dedicated to equitable and sustainable management and development of the common water resources of the Nile Basin. The Nile Basin member states ("Member States") include Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, South Sudan, Tanzania and Uganda. The Bank, acting as administrator for the TF, intends to extend to NBI a grant in amount equal to 30 million United States Dollars (the "Grant") to assist in financing the Nile Cooperation for Climate Resilience Project (the "Project") under a grant agreement entered into between the Bank and the NBI on March 10, 2021 ("Grant Agreement").

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"The Shared Vision Objective
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(c) NBI was established on February 22, 1999 and has a mandate to continue the process of building cooperation among Member States and building capacity to conduct basin-wide water resources management.

(d) Nile-SEC, located in Entebbe, Uganda, serves as the secretariat of NBI, and provides leadership on Basin cooperation and water resources management.

(e) NELSAP-CU is the coordination unit of NELSAP, established by the Nile Equatorial lakes Council of Ministers to facilitate project preparation and implementation, to contribute to the eradication of poverty, promote economic growth, and alleviate environmental degradation.

(f) ENTRO is the Eastern Nile Technical Regional Office of NBI established in 2002 to facilitate the process of cooperative development, and assist the Eastern Nile Council of Ministers and ENSAP Technical advisory committee in developing, implementing and managing Eastern Nile Subsidiary Action Program.

2. **Objective**

Consistent with its mandate, the Party signatory hereto affirms its commitment to the objective of the Project, namely to improve mechanisms for cooperation on water resources management and development in the Nile Basin, and to cooperate with the other Parties in carrying out the Project activities and to achieve such objective.

3. **Activities**

The Project consists of the following parts:

**Part 1. Advancing Nile Basin-Wide Cooperation**

Providing support to Nile-SEC in facilitating basin-wide cooperation and information services for regional water resource management, including:

(a) Strengthening the platform for basin-wide cooperation, through provision of capacity building activities for stakeholders; platforms for stakeholder dialogue; and communication activities to promote cooperation.

(b) Enhancing NBI’s information services for climate resilient investment planning, including developing a regional data platform and tools to improve data quality and utilization, capacity building of key NBI stakeholders (NBI offices, key governments and other institutions) on such platform and tools; and provision of equipment to strengthen NBI’s information infrastructure.

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(c) Enhancing availability and use of water quality data for water quality investment planning, through *inter alia* upgrading water quality monitoring capacity in members states (including through provision of equipment); preparing water quality maps and investment prioritization models for pollution hotspots; and capacity building activities for government agencies on water quality monitoring and awareness raising activities.

**Part 2. Improving Mechanisms for Cooperation in the Nile Equatorial Lakes (NEL) Region**

Providing support to NELSAP in advancing cooperative water management and development actions on flood mitigation, dam safety, water quality and cooperation in the NEL region, including:

(a) Advancing the platform for regional dialogue between governments and provision of capacity building activities to government agencies to enhance technical skills and understanding on water management cooperation.

(b) Strengthening regional information systems, tools and plans for flood risk mitigation, including developing a flash flood early warning system, providing capacity building to government agencies on flood emergency response planning and supporting identification of risk areas and risk mitigation investment planning.

(c) Supporting the development of a dam safety capacity building program aimed at strengthening the institutional capacity of the member states and risk management for dams.

(d) Supporting water quality investment identification and prioritization in the member states, including enhancing processes and tools for identification, evaluation and investment planning of pollution hotspots.

**Part 3. Improving Mechanisms for Cooperation in the Eastern Nile**

Providing support to ENTRO for advancing cooperative water management and development actions on flood and drought risk mitigation, dam safety and cooperation in the Eastern Nile region, including:

(a) Advancing the platform for regional dialogue between governments and provision of capacity building activities to government agencies to enhance technical skills and understanding on water management cooperation.

(b) Strengthening regional information systems, tools and plans for flood and drought mitigation, including enhancing the regional flood forecast and early warning system and developing a drought monitoring system.

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(c) Supporting the development of a dam safety capacity building program aimed at strengthening the institutional capacity of the member states and risk management for dams.

(d) Supporting water quality investment identification and prioritization in the member states, including enhancing processes and tools for identification, evaluation and investment planning of pollution hotspots.

Part 4. Water Quality in the Lake Victoria Sub-Basin

Providing support to LVBC in promoting harmonization on water quality management policies in the NEL region, including carrying out an assessment of such policies and preparing an action plan for implementation of coordinated water quality management practices.

Part 5. Enhancing Stakeholder Engagement in the Nile Basin

Providing support to NBD in promoting stakeholder engagement to improve cooperation and understanding of water related issues, including carrying out awareness raising and capacity building activities for civil society organizations and stakeholder mapping and information dissemination for the flood and drought warning system under Parts 2 and 3 of the Project.

4. Implementation of Activities

Nile-SEC agrees to:

(a) carry out the NILE-SEC Respective Part of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, administrative, environmental and social standards and practices satisfactory to the Bank, including the ESS and ESCP, the Anti-Corruption Guidelines and the Procurement Regulations;

(b) carry out the NILE-SEC Respective Part of the Project in accordance with the Grant Agreement and the Project Implementation Manual;

(c) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Project activities under its responsibility and the achievement of their objectives;

(d) monitor and evaluate the progress of the NILE-SEC Respective Part of the Project and prepare and provide to the Recipient for the purpose of forwarding to the Bank, Project Reports for the NILE-SEC Respective Part of the Project in accordance the Grant Agreement.

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(e) prepare and provide to NBI for the purpose of forwarding to the Bank not later than November 30 in each calendar year (or one months after the Effective Date for the first year of Project Implementation, (i) a draft annual work plan and budget for the NILE-SEC Respective Part of the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Bank shall have reasonably requested; and (ii) any instruments required by the ESCP for the implementation of the activities included in the draft annual work plan and budget.

(f) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, in a manner adequate to reflect the operations, resources and expenditures related to its activities under the Project; (2) prepare and provide to the Recipient for the purpose of furnishing to the Bank not later than forty-five days after the end of each calendar quarter, interim unaudited financial reports for the NILE-SEC Respective Part of the Project, covering the quarter, in form and substance satisfactory to the Bank; and (3) at the Bank’s request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and Bank;

(g) retain records evidencing expenditures under the NILE-SEC Respective Part of the Project for seven years and six months after the Closing Date and as further specified in the Grant Agreement.

(h) enable the Recipient and the Bank to inspect the Project activities and any relevant records and documents, prepare and furnish to the Recipient and the Bank all such information as the Recipient and the Bank shall reasonably request relating to the foregoing, and enable the Bank to disclose such records and information to the Donor(s); and establish no later than three (3) months after the Effective Date establish and thereafter maintain, throughout the Project implementation, an implementation organization with functions, composition and resources satisfactory to the Bank. Without limiting the generality of the foregoing, such organization shall inter alia include; (i) a project coordinator to be responsible for coordination of the Project activities with the other NBI Centers and the Project Implementing Entities; (ii) a procurement specialist; (iii) a financial management specialist, (iv) an environmental specialist (to be shared between the centers, as needed); (v) and a social specialist (to be shared between the centers, as needed); all with qualifications, experience and terms of reference acceptable to the Bank.

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5. **Key Points of Contact**

The Party hereby designates and appoints below its representative with overall responsibility for implementing this Letter of Commitment, including responsibility for formulating work plans for activities to be undertaken pursuant to it:

*Deputy Executive Director / Head of Basin-wide Program*
*Nile Basin Initiative Secretariat (Nile-SEC)*
*Plot 12 Mpigi Road, Entebbe*
*P.O Box 192 Entebbe, Uganda*

6. **Additional Provisions**

(a) This Letter of Commitment does not constitute an agreement or commitment by the Party to enter into or provide support for any specific activity or project.

(b) Nothing in this Letter of Commitment shall be construed as creating a joint venture, an agency relationship, or a legal partnership between the Parties.

(c) Nothing in this Letter of Commitment is intended to be, or should be construed as a waiver of the privileges and immunities of the Party or its officers and employees, which privileges and immunities are hereby specifically reserved.

7. **Disclosure and Publicity**

(a) The Bank may disclose to the public this Letter of Commitment and information with respect to activities and projects contemplated herein in accordance with the Bank’s Access to Information Policy introduced on July 1, 2010. The Party may make such disclosure in its internal reporting to its employees, officers and directors, but shall not make any reference to the collaboration in any manner in its advertising of its products or services or in the solicitation of any contracts or other business, whether or not to be financed by the Bank or an affiliate thereof, except as otherwise agreed in writing by the Bank (including electronic correspondence).

(b) No activity, and no work created by any activity, undertaken in connection with this Letter of Commitment may be used for commercial purposes. The Party may not seek to directly or indirectly benefit commercially from the Bank’s involvement in such activity. However, publications resulting from such collaborative activity and projects may acknowledge the collaboration of the Parties; provided the text is jointly formulated by the Parties.
(c) Any sharing of information among the Parties will be subject to their respective policies and procedures relating to the disclosure of information.

(d) Confidential information of the one Party shall be handled by the other Parties with no lesser standard of care than it would use in handling its own confidential information.

8. **Intellectual Property**

The Party recognizes the importance of protecting and respecting intellectual property rights. This Letter of Commitment does not grant on the part of the Party the right to use materials belonging to, or created by, the other Parties. The Party shall agree in writing on the ownership of any intellectual property rights that may arise in any work to be created by the collaborative activities to be undertaken pursuant to this Letter of Commitment, at the time of agreeing on the work plan for such activities. In the absence of any such written agreement, any intellectual property rights arising in any work created by the Parties’ collaborative activities undertaken pursuant to this Letter of Commitment shall belong to the Bank.

9. **Indemnification and Insurance**

(a) By signing hereunder, the Party signatory agrees to indemnify, hold and save harmless the other Parties, and such other Parties’ officers, agents, servants, and employees from all suits, claims, demands, and liability of any nature or kind, including, but not limited to, their costs and expenses, arising out of its gross negligence or willful misconduct or that of its officers, employees, agents, or sub-contractors, in the implementation of this Letter of Commitment or any activities or projects undertaken in connection therewith, including, but not limited to, claims from the other Parties’ employee(s) for damages in excess of damages covered by workers’ compensation.

(b) The obligations under this Section do not lapse upon termination of this Letter of Commitment or agreement under a work plan for any specific activity or project pursuant thereto.

(c) Throughout the implementation of this Letter of Commitment and any activity or project pursuant thereto, the Party will maintain its usual and customary insurance for its officers, employees and operations.

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10. **Term**

This Letter of Commitment shall come into force and effect upon signature by the Party on the date set forth below.

11. **Modification**

This Letter of Commitment may be modified or terminated at any time by mutual written agreement of the Parties, subject to the written approval of the Bank.

12. **Miscellaneous**

(a) The section headings in this Letter of Commitment are for convenience only and are not intended, and shall not be construed, to alter, limit, or enlarge in any way the scope or meaning of the language contained in this Letter of Commitment.

(b) This Letter of Commitment supersedes any previous intentions or agreements communicated and agreed upon among the Parties in respect of the collaborative activities under the Project contemplated herein.

(c) The person signing this Letter of Commitment on behalf of the Party hereby represents and warrants to the other Party that he or she has the requisite legal power and authority to execute this Letter of Commitment on behalf of the Party and bind the Party to the obligations herein.

In witness whereof, the Party has caused this Letter of Commitment to become effective as of the day and date written below.

**NILE-SEC**

Authorized Representative

Name: **Prof. Seifeldin Hamad Abdalla**

Title: **Executive Director**

Date: **March 18th, 2021**