SUBSIDIARY AGREEMENT

(Nile Cooperation for Climate Resilience Project – P172848)

Between

NILE BASIN INITIATIVE

and

NILE BASIN DISCOURSE
SUBSIDIARY AGREEMENT

PREAMBLE

A. Whereas on the basis of the Grant Agreement (the Grant Agreement) dated 17th March 2021, between the Nile Basin Initiative (the Recipient) and the International Bank for Reconstruction and Development/International Development Association (Bank), acting as administrator of the Cooperation in International Waters in Africa Trust Fund (TF), the Bank has agreed to extend to the Recipient an amount of Thirty Million United States Dollars (USD 30,000,000) (the Grant); and

B. Whereas the Recipient has agreed to transfer part of the proceeds of the grant to the Nile Basin Discourse (“the Implementing Entity) for implementation of Part 5 of the Project as defined in the Grant Agreement (“Implementing Entity’s Respective Part of the Project”);

C. In accordance with the provisions of the Grant Agreement, the Implementing Entity and the Recipient agree as follows:

ARTICLE I
Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Grant Agreement, the Preamble to this Agreement, and in the Standard Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II
Obligation of the Implementing Entity

Section 2.01. The Implementing Entity shall:

(i) carry out Implementing Entity’s Respective Part of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices, including the ESS and ESCP, the Anti-Corruption Guidelines and the Procurement Regulations;

(ii) carry out the Implementing Entity’s Respective Part of the Project in accordance with the provisions set forth in the Grant Agreement, the NBD Project Agreement, the DFIL and the Project Implementation Manual;

(iii) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Project activities under its responsibility and the achievement of their objectives;
(iv) monitor and evaluate the progress of the Implementing Entity’s Respective Part of the Project and prepare, and provide to the Bank, through the Recipient, Project Reports for the Implementing Entity’s Respective Part of the Project in accordance the Grant Agreement.

(v) retain records evidencing expenditures under the Implementing Entity’s Respective Part of Project for seven years and six months after the Closing Date and as further specified in the Grant Agreement.

(vi) 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

(viii) maintain, until completion of the Implementing Entity’s Respective Part of the Project, key staff in number and with experience and qualifications that shall be at all times acceptable to the Bank for purposes of implementing the Implementing Entity’s Respective Part of the Project and as further specified in the Grant Agreement and the Project Implementation Manual.

ARTICLE III
Transfer of funds

Section 3.01. The Recipient agrees to transfer to NBD an amount of Seven Hundred and Fifty Thousand United States Dollars (USD 750,000), as a grant on the terms and conditions set forth in the Grant Agreement and this Subsidiary Agreement.

Section 3.02. Any income earned on proceeds of the transfer mention on section 3.01 of this Agreement shall be used exclusively for eligible expenditures required for carrying out the Implementing Entity’s Respective Part of the Project.

ARTICLE IV
Disbursement

Section 4.01 Disbursement of funds to the Implementing Entity will be made in accordance with the provisions for disbursement under the Legal agreement as specified under Schedule 2 Section III B1. NBD will make available to the Nile Basin Initiative Secretariat all required information to facilitate the smooth request for disbursement within a good lead time that allows for access of funds.

Section 4.02 The Parties acknowledge the Grant is funded out of the above mentioned TF for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with the Grant Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds. The right to receive any amount under this Subsidiary Agreement is subject to the Recipients’ right to withdraw such amount under the Grant Agreement, as set out above in this section 4.02.
ARTICLE V
Suspension

Section 5.01. At the occurrence and continuation of one of the below listed conditions, the Recipient may, through prior notification to the Implementing Entity, suspend fully or partially the transfer of funds to the Implementing Entity:

(a) as a result of the prevalent conditions an extraordinary situation shall have arisen which shall make it improbable that Implementing Entity will be able to perform its obligations under this Agreement;
(b) upon Implementing Entity’s failure to perform any of its obligations under this Agreement; and
(b) the right of the Recipient shall have been suspended or annulled by the Bank to withdraw funds under the Grant Agreement.

ARTICLE VI
Effectiveness Date

Section 6.01. This Agreement shall come into force on the date of its signature.

ARTICLE VII
Termination of the Agreement

Section 7.01. This Agreement and obligations there under shall terminate on the date on which the Grant Agreement shall terminate in accordance with its terms.

ARTICLE VIII
Miscellaneous Provisions

Section 8.01. Any modification or amendment to this Agreement requires approval of the Bank, is documented in writing and signed by the parties of this Agreement.

Section 8.02. Any notice, request or agreement of the parties with respect to this Agreement shall be in writing. Such notice shall be deemed to have been duly made when it shall be delivered at such party’s address hereinafter specified or at such other address as such party shall have designated by notice.

For the purposes of this paragraph the addresses so specified are:

For the Recipient:

*Nile Basin Initiative Secretariat (Nile-SEC)*
*Plot 12 Mpiqi Road, Entebbe*
*P.O Box 192 Entebbe, Uganda*

For the Implementing Entity:

*Nile Basin Discourse*
*Plot 32 Nsamizi Rd. Entebbe*
*P.O. Box 185, Entebbe Uganda*
Section 8.03. Any discord or dispute arising in respect to this Agreement or in connection with it and that cannot be resolved by amicable agreement of the parties may be settled in compliance with the legislation of the Government of Uganda and with due consideration of the contractual obligations set forth in the Grant Agreement.

IN WITNESS WHEREOF, the parties of the Agreement, acting through their duly authorized representatives, have caused this Agreement signed in their respective names of the specified day.

For the Recipient

[Signature]
Prof Seifeldin Hamad Abdalla
Executive Director
Nile Basin Initiative Secretariat

17 MAR 2021

For the Implementing Entity

[Signature]
Prof Muawia Hamid Shaddad
Board Chairperson
Nile Basin Discourse (NBD)

Date of Signing: 17th March, 2021