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OFFICIAL DOCUMENTS

CREDIT NUMBER 5132-NE

Project Agreement

(Competitiveness and Growth Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

MAISON DE L'ENTREPRISE

Dated February 16 **, 2013**

CREDIT NUMBER 5132-NE

PROJECT AGREEMENT

AGREEMENT dated February 16, 2013, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the MAISON DE L'ENTREPRISE ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") between the REPUBLIC OF NIGER ("Recipient) and the Association. The Association 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 Financing Agreement) constitute an integral 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 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 Part 1(c) of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

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 date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its General Manager (*Directeur Général*).

4.02. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

Maison de l'Entreprise
c/o Chambre de Commerce, d'Industrie et d'Artisanat du Niger
B.P. 209
Niamey
Niger

Facsimile:

(227) 20 73 46 68

AGREED at Niamey, Republic of Niger, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: COFFI NESSON

Title: COUNTRY MANAGER

MAISON DE L'ENTREPRISE

By

Authorized Representative

Name: [illegible]

Title: President

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

B. Matching Grants

1. (a) For the implementation of its Respective Part of the Project, the Project Implementing Entity shall extend Matching Grants to eligible Beneficiaries for the financing of eligible Subprojects, under terms and conditions acceptable to the Recipient and the Association and further described in the Project Implementation Manual.

(b) Without limitation to the provisions of paragraph (a) immediately above, no Beneficiary shall be eligible for a Matching Grant, unless the Project Implementing Entity shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association, that the proposed Beneficiary of such Matching Grant and the Subproject for which the Matching Grant is to be made satisfy the respective eligibility criteria acceptable to the Association, which shall include the following, as further elaborated in the Project Implementation Manual:

(i) The proposed Beneficiary:

(A) is an entity with legal personality;

(B) is: (AA) a small or medium enterprise (SME), a smallholder individual or an association of smallholder individuals primarily involved in one of the Selected Value Chains or other priority sectors, or an SME training institution, a trade group or a producer association, for Subprojects referred to in paragraph (ii)(A) immediately below; or (BB) an SME for Subprojects referred to in paragraph (ii)(B) immediately below; and

(C) has provided satisfactory evidence of its ability to provide the required Beneficiary's contribution to the

financing of the proposed Subproject, as stated in the Project Implementation Manual for the relevant type of Subproject, out of resources other than the Matching Grant.

(ii) The purpose of the Subproject is either:

(A) to increase labor productivity and enhance competitiveness through support to the Beneficiary for: (AA) the preparation of annual business plans; (BB) the improvement of productivity, production processes, processing or marketing; (CC) access to finance; or (DD) training; or

(B) to improve local small and medium enterprises capacity to provide services to large mining companies, through support to the Beneficiary for: (AA) training; (BB) technical and managerial capacity building; (CC) technical assistance to contract with international entities; (DD) support to certification initiatives, especially with respect to health, safety and environment; and (EE) access to finance.

2. The Project Implementing Entity shall make each Matching Grant to a Beneficiary for a Subproject under a Matching Grant Agreement, in the form attached to the Project Implementation Manual, on terms and conditions approved by the Association, which shall include the following:

(a) The Matching Grant shall:

(i) be made on a grant basis; and

(ii) not exceed the lesser of: (A) the total estimated cost of the Subproject minus the amount of the Beneficiary's contribution as stated in the Project Implementation Manual for the relevant type of Subproject; and (B) the maximum amount of the Matching Grant as stated in the Project Implementation Manual for the relevant type of Subproject.

(b) The Project Implementing Entity shall obtain rights adequate to protect the Project Implementing Entity's and the Recipient's interests and those of the Association, including the following:

(i) the Project Implementing Entity shall have the right to suspend or terminate the right of the Beneficiary to use the proceeds of

the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and

(ii) each Beneficiary shall be required to: (A) carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance: (1) with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; and (2) with the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under its Subproject, if any; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; (E) (1) 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 the Subproject; and (2) at the Recipient's or the Association's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, promptly furnish the statements as so audited to the Project Implementing Entity, the Recipient and the Association, and allow the Association to make the Matching Grant Agreement and all financial statements audited pursuant to sub-paragraph (E)(2) immediately above available to the public in accordance with the Association's policies on access to information; (F) enable the Project Implementing Entity, the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and (G) prepare and furnish to the Project Implementing Entity, the Recipient and the Association all such information as the Project Implementing Entity, the Recipient or the Association shall reasonably request relating to the foregoing.

(c) The Project Implementing Entity shall exercise its rights and carry out its obligations under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

C. Safeguards

1. The Project Implementing Entity shall ensure that its Respective Part of the Project (and in particular each Subproject, shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under Part 1(c)(iv) of the Project, if any. In particular, the Project Implementing Entity shall ensure that:

   (a) for each activity under the Project of a type for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan; and

   (b) for each activity under the Project of a type for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.

2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Project Implementing Entity shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents.

3. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the

Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

D. Annual Work Plans and Budgets

1. Each year the Project Implementing Entity shall prepare and furnish to the Recipient for further submission to the Steering Committee and then to the Association for approval, a draft annual work plan (including Training), and budget (including Counterpart Funds) for the Project, for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. Only the activities included in an annual work plan and budget expressly approved by the Association (each an "Annual Work Plan and Budget") are eligible to a financing from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior approval.

E. Project Implementation Manual

1. (a) The Project Implementing Entity shall carry out Part 1(c) of the Project in accordance with the Project Implementation Manual; and (b) except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.

2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

F. Project Staff

1. The Project Implementing Entity shall maintain at all times during the implementation of its Respective Part of the Project sufficient staff, each with adequate terms of reference, qualifications and experience for its Respective Part of the Project.

2. Without limitation to the provisions of paragraph 1 immediately above, the Project Implementing Entity shall, no later than three (3) months after the Effective Date, recruit in accordance with the provisions of Section III of the Schedule to this Agreement, the following staff each with terms of reference, qualifications and experience satisfactory to the Association, for the purpose of working at least part time specifically on the activities carried out by the Project Implementing Entity under the Project: (a) a financial management specialist; and (b) a procurement specialist.

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

A. Project Reports

1. The Project Implementing Entity 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 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later one (1) month 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 five (5) 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.

3. Thirty-six (36) months after the Effective Date, the Project Implementing Entity shall participate in conjunction with the Recipient and the Association, in a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. The Project Implementing Entity to prepare for the Project Implementing Entity's Respective Part of the Project, and furnish to the Recipient and the Association not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of its Respective Part of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of its Respective Part of the

Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Project Implementing Entity shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project Implementing Entity's Respective Part of the Project in furtherance of the objective of the Project.

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 Association, 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 its Respective Part of the Project.

2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Recipient for further transmission to the Association not later than one (1) month after the end of each calendar quarter, interim unaudited financial reports for its respective Part of the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. 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 Association 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 Association.

4. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Project Implementing Entity shall engage auditors for the purpose not later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.

Section III. <u>Procurement</u>

All goods, works and services required for the Project Implementing Entity's Respective Part of 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 Financing Agreement.