Project Agreement

(Niger Solar Electricity Access Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

AGENCE NIGÉRIENNE DE PROMOTION DE L’ELECTRIFICACIION EN MILIEU RURAL

Dated June 27, 2017
CREDIT NUMBER 6082-NE
GRANT NUMBER D198-NE

PROJECT AGREEMENT

AGREEMENT dated 25th, 2017, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and Agence Nigérienne de Promotion de l'Electricification en milieu Rural ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date 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 Parts 2, 4.1, 4.3 and 4.4 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 executive director.

4.02. The Association’s Address is:

International Development Association  
1818 H Street, N.W.  
Washington, DC 20433  
United States of America

Telex: 248423(MCI)  
Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

B.P. 11577  
Niamey  
Republic of Niger

Facsimile: 227 203700439
AGREED at Niamey, Republic of Niger, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Siaka Bakayoko
Title: Country Manager

AGENCE NIGÉRIENNE POUR LA PROMOTION DE L’ELECTRIFICACION RURAL

By

[Signature]
Authorized Representative

Name: Salouhou Hamidoune
Title: Executive Director
SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall maintain and cause to be maintained, throughout the Project implementation period, the following, with terms of reference and resources satisfactory to the Association, and with qualified and experienced staff in adequate numbers, to carry out their respective responsibilities related to implementation of the Project: the ANPER Project Implementation Unit, established within ANPER, will be adequately staffed, and responsible for the day-to-day operations of the Project, including oversight of the planning, provision of specialized technical support, procurement of service providers, coordination with other authorities, carrying out of fiduciary, safeguards and monitoring of the Project as well as preparation of reports and the AWPB for Part 2 and Part 4 (except Part 4.2) of the Project. In addition, the ANPER PIU will consolidate the AWPB for the entire project for submission to and approval by the World Bank. The ANPER PIU will be headed by a project manager and will be supported by the following officers: environmental and social safeguard specialist, procurement specialist, financial officer, accountant, rural electrification specialist, a business development specialist, a monitoring and evaluation specialist and an independent auditor for the entire Project.

B. Project Implementation Manual

1. The Project Implementing Entity shall:

   (a) carry out the Project, and cause the Project to be carried out, in accordance with the Project Implementation Manual, which contains detailed guidelines and procedures for the implementation of the Project, including:

   (i) eligibility criteria applicable to and selection of Concession Beneficiaries to receive Sub-project Grants under the Respective Part of the Project;

   (ii) selection and eligibility criteria for selecting investments (including economic and technical feasibility, ownership and environmental and social risks and impacts on the surrounding community), and rules and procedures applicable to the
preparation, approval, implementation, monitoring and evaluation of Sub-projects under the Respective Part of the Project; and

(iii) general administration, coordination and day to day execution of Project activities including: (A) roles and responsibilities of various entities in the implementation of the Project; (B) financial management, procurement and accounting procedures; (C) social and environmental safeguards; (D) corruption and fraud mitigation measures; (E) monitoring and evaluation; (F) terms and conditions of service agreements; and (G) any other activities to be implemented under the Project, and such other arrangements and procedures as shall be required for the effective implementation of the Project.

C. Subsidiary Agreement

The Project Implementing Entity shall sign a subsidiary agreement with the Recipient, on terms and conditions approved by the Association, which shall include the obligation of the Project Implementing Entity to:

(a) implement the Respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices in accordance with the provisions of this Agreement;

(b) ensure that all facilities relevant to said Respective Part of the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;

(c) with respect to records management: (i) maintain records adequate to record the progress of said Respective Part of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Financing and disclose their use in said Respective Part of the Project; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under said Respective Part of the Project for the period of time specified in the General Conditions; and

(d) enable the Recipient and the Association to inspect the Respective Parts of the Project, their operations and any relevant records and documents.
D. 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.

E. Sub-project Grants, Sub-project Grant Agreements

1. Solicitation of Expressions Interest and Eligibility of Concession Beneficiaries

(a) The Project Implementing Entity, shall solicit expressions of interest from companies operating in the Recipient’s territory, to invest, construct, and operate, solar hybrid mini grids under Part 2 of the Project, as concessions, in accordance with the criteria and approval procedures set forth in the PIM.

(b) No companies shall be eligible unless the Project Implementing Entity shall have determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association and elaborated in the PIM, that each of the proposed companies: (A) is a company duly established under and operating in accordance with the Recipient’s laws; (B) has the legal, organizational, management, and technical capacity and financial resources necessary to carry out Sub-projects.

2. Sub-project Grants

(a) For the purpose of carrying out Part 2 of the Project, the Project Implementing Entity shall provide Sub-project Grants to eligible Concession Beneficiaries for the purpose of supporting financing costs and reducing tariffs ensuring affordability of the end-users and fair profitability of the Concession Beneficiaries in accordance with this Agreement and in accordance with the selection criteria, guidelines and procedures set forth in the Project Implementation Manual.

(b) The Project Implementing Entity, shall:

(i) enter into Sub-project Grant Agreements with the Concession Beneficiary, under terms and conditions approved by the Association and included in the Project Implementation Manual, for the implementation of Sub-projects on a non-reimbursable grant basis;

(ii) prepare each Sub-project Grant Agreement based on the model form approved by the Association and included in the Project Implementation Manual, in which the Project Implementing Entity shall obtain rights adequate to protect its interests and
those of the Association, including the right to: (i) suspend or terminate the right of the Concession Beneficiary to use the proceeds of the Sub-project Grant, or obtain a refund of all or any part of the amount of the Sub-project Grant then withdrawn, upon the Concession Beneficiary’s failure to perform any of its obligations under the Sub-project Grant Agreement; and (ii) require each Concession Beneficiary to: (A) carry out its pertinent Sub-project with due diligence and efficiency and in accordance with sound technical, economic, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds, other than the Recipient and the Safeguard Instruments; (B) provide, promptly as needed, the resources required for the carrying out of the Sub-project; (C) procure the goods, works, non-consulting services and consultants’ services to be financed out of the Sub-project Grant in accordance with the provisions of this Agreement; (D) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the pertinent Sub-project and the achievement of its objectives; (E) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the Bank for community driven initiatives; (F) enable the Recipient and the Association to inspect the pertinent Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(c) exercise its rights and carry out its obligations under the Sub-project Grant Agreements 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 shall not assign, amend, abrogate, waive, terminate or fail to enforce any Sub-project Grant Agreement or any provisions thereof.

F. Safeguards

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Safeguard Instruments.

2. If any Supplemental Social and Environmental Safeguard Instrument is required under any of the Safeguard Instruments, the Project Implementing Entity shall:
(a) (i) prepare such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable Safeguard Instrument; (ii) carry out consultations upon such Supplemental Social and Environmental Safeguard Instrument; (iii) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (iv) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activities; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.

3. The Project Implementing Entity shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Association’s environmental and social safeguard policies and the Recipient’s own laws relating to the environment and social aspects.

4. If any activity under the Project would involve Affected Persons, the Project Implementing Entity shall: (a) ensure that no physical or economic displacement shall occur before resettlement measures under a Supplemental Social and Environmental Safeguard Instrument prepared in accordance with the RPF, including, in the case of either physical or economic displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (b) provide from its own resources, any financing required for any measures under sub-paragraph (a) above including any costs associated with land acquisition required for the Project.

5. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguard Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Safeguard Instrument including the related Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the Supplemental Social and Environmental Safeguard Instruments; and

(c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 and as set forth in the PIM. Each such Project Report shall cover the period of one quarter, and shall be furnished to the Recipient not later than one 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.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements of the ANPER PIU 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 ANPER PIU, including the operations, resources and expenditures related to its Respective Part of the Project.

2. 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 months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. Procurement

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.
Section IV. Other Undertakings

1. The Project Implementing Entity shall acquire and make functional, not later than ninety (90) days from the Effective Date, a multi-donor and multi-project accounting system.

2. The Project Implementing Entity shall, not later than one hundred and twenty (120) days from the Effective Date (i) appoint an independent auditor, and (ii) recruit an additional accountant to support the ANPER PIU.