Financing Agreement

(Additional Financing for the Agro-Sylvo-Pastoral Exports and Markets Development Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 19, 2014
FINANCING AGREEMENT

AGREEMENT dated September 19, 2014, entered into between the REPUBLIC OF NIGER ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS - DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions, in the Appendix to this Agreement, or in the Appendix to the Original Financing Agreement. In case of contradiction between the provisions of the Original Financing Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to nine million Special Drawing Rights (SDR 9,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are February 1 and August 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Recipient’s Minister responsible for planning.

5.02. The Recipient’s Address is:

Ministère du Plan, de l’Aménagement du Territoire et du Développement Communautaire
B.P. 862
Niamey
Republic of Niger

5.03. The Association’s Address is:

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

Cable: INDEVAS  Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Niamey, Republic of Niger, as of the day and year first above written.

REPUBLIC OF NIGER

By

Authorized Representative

Name: H.E. Amadou Boubacar Cisse
Title: State Minister, Minister of Planning
Territorial Management and Community Development

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Nestor Coffi
Title: Country Manager for Niger
Africa Region
SCHEDULE 1

Project Description

The objective of the Project is identical to that of the Original Project.

The Project consists of the Original Project and the following additional subpart of Part D of the Project:

(c) Support to HC3N for: (i) the preparation of a National Agricultural Resilience Program; and (ii) the coordination of agriculture risks management in food security and nutrition programs.
Section 1. Institutional and Other Implementation Arrangements

The institutional and other arrangements for the implementation of the Project are identical to the implementation arrangements for the Original Project set forth in Section 1 of Schedule 2 to the Original Financing Agreement, which are incorporated herein by reference and shall apply to this Agreement, together with the following modifications thereto:

(a) Recruitments for the Technical and Fiduciary Coordination Unit

A new Section I.A.2(c) is introduced and shall read as follows:

"No later than four (4) months after the Effective Date, the Recipient shall have recruited, in accordance with the provisions of Section III of Schedule 2 to this Agreement and on the basis of terms of reference, qualifications and experience satisfactory to the Association the following consultants to work in the Technical and Fiduciary Coordination Unit: (i) one consultant in private sector development; and (ii) one agriculture processing specialist."

As a result, Sections I.A.2(c) and I.A.2(d) are renumbered respectively Sections I.A.2(d) and I.A.2(e).

(b) Support to the Technical and Fiduciary Coordination Unit

Section I.A.2(e) (previously Section I.A.2(d) amended pursuant to paragraph (a) immediately above) is deleted and a new Section I.A.2(e) is introduced, drafted as follows:

"(e) (i) For the implementation of Project activities at the local and regional levels, the Technical and Fiduciary Coordination Unit shall coordinate with the relevant services of the technical directorates in the Recipient’s line Ministries, and with the private operators which may be involved in the implementation of specific Project activities.

(ii) Without limitation to the provisions of paragraph (i) immediately above, no later than four (4) months after the Effective Date, the Technical and Fiduciary Coordination Unit shall recruit, in accordance with the provisions of Section III of Schedule 2 to this Agreement and on the basis of terms of reference, qualifications and experience satisfactory to the Association (without limitation): (A) two implementation agencies for the
implementation of the Project in the field; and one service provider for the conception of business plans and monitoring of selected Sub-projects.”

(c) **Anticorruption**

Section I.B is deleted and a new Section I.B is introduced, drafted as follows:

“B. **Anti-Corruption**

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.”

(d) **Safeguards**

Section I.D is deleted in its entirety. A new Section I.D is introduced and shall read as follows:

“1. The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Bank Policies, as well as the Recipient’s own laws relating to the environment and social aspects.

2. The Recipient shall ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents. In particular, the Recipient 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.
3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any entity participating in the implementation of the Project to do so.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient 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.

5. 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.”

(e) Manuals

Section I.E(a) is deleted in its entirety. A new Section I.E(a) is introduced and shall read as follows:

“(a) The Recipient has adopted the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures, each in form and substance satisfactory to the Association. No later than two (2) months after the Effective Date, the Recipient shall update the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures for the Project, each in form and substance satisfactory to the Association.”

(f) Annual Work Plans and Budgets

A new Section I.F is introduced and shall read as follows:

“F. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare:

(a) a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested; and

(b) the evidence, in form and substance satisfactory to the Association, that all Safeguard Documents required prior to the implementation of the activities included in the draft annual work plan and budget have been
prepared or are in the process of being prepared so as to be available in form and substance acceptable to the Association and disclosed in accordance with the Bank Policies before approval by the Association of the bidding documents for each activity.

2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than November 30 of each year, the annual work plans and budgets approved by the Steering Committee and the evidences referred to in subparagraph 1(b) above, for the Association’s review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, and the evidence which may be required for the implementation of the activities included in the draft annual work plan and budget for such period, which shall be furnished no later than one (1) month after the Effective Date. 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. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.

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

Section II. Project Monitoring, Reporting and Evaluation

1. The Project monitoring, reporting and evaluation arrangements for the Project are identical to the monitoring, reporting and evaluation arrangements for the Original Project set forth in Section II of Schedule 2 to the Original Financing Agreement which are incorporated herein by reference and shall apply to this Agreement, together with the following modifications thereto:

(a) Project Reports

Section II.A is deleted in its entirety. A new Section II.A is introduced and shall read as follows:

“A. Project Reports
1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

3. Twelve (12) months after the Effective Date, or at any other date agreed with the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. The Recipient shall prepare and furnish to 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 the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient 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 in furtherance of the objective of the Project."

(b) Financial Management System

Section II.B.1 is deleted in its entirety. A new Section II.B.1 is introduced and shall read as follows:

"1. (a) The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

(b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Recipient shall, no later than two (2) months after the Effective Date, set up a multi-project and multisite accounting software acceptable to the Association for the Project (or upgrade its existing mono-project
accounting software in a manner acceptable to the Association for the Project)."

(c) Audit of the Financial Statements

Section II.B.4 is deleted in its entirety. A new Section II.B.4 is introduced and shall read as follows:

"4. No later than six (6) months after the Effective Date, the Recipient shall have selected in accordance with the provisions of Section III of Schedule 2 to this Agreement and recruited an external independent auditor, (or amended the contract of the auditor selected for the carrying out of the audit referred to in Section II.B.3 of the Original Financing Agreement if his or her performance to date have been considered satisfactory by the Recipient and the Association) with terms of reference, qualifications and experience satisfactory to the Association for the purpose of, inter alia, carrying out the financial audits referred to in Section II.B.3 of this Agreement."

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding,
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

(a) National Competitive Bidding, subject to the following additional provisions listed in (i) through (xii) below:

(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that: (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(ii) Invitations to bid shall be advertised in national newspapers with wide circulation.

(iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents.

(iv) Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.

(v) Eligible bidders, including foreign bidders, shall be allowed to participate.

(vi) No domestic preference shall be given to domestic contractors and to domestically manufactured goods.

(vii) Bids are awarded to the bidder with the lowest bid evaluated proven this bidder is qualified.

(viii) Fees charged for the bidding documents shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

(b) Shopping; and
(c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

   (a) Quality Based Selection
   
   (b) Selection under a Fixed Budget;
   
   (c) Selection Based on the Consultant’s Qualifications
   
   (d) Least-Cost Selection
   
   (e) Selection of Individual Consultants
   
   (f) Single-Source Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Transitional Provisions in respect of Procurement

1. Notwithstanding the terms and conditions of the Original Financing Agreement and to the extent that the procurement of any goods, works, non-consulting services or consultants’ services to be financed, at least in part, out of the proceeds of the Original Financing was or will be initiated on or after March 30, 2014, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in Section III (Procurement) of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of such goods or consultants’ services.

2. Notwithstanding the provisions of Section III (Procurement) of this Schedule 2: (i) to the extent that the procurement of any goods, works, non-consulting services or consultants’ services to be financed out of the proceeds of the Original Financing was initiated prior to March 30, 2014; and (ii) there are no
proceeds remaining under the Original Financing to finance such goods, works, non-consulting services or consultants' services; then, on an exceptional basis only and subject to the Association's prior no-objection, Section III of this Schedule shall not apply to the procurement of such goods, works, non-consulting services or consultants’ services; provided, however, that the provisions of Section III (Procurement) of Schedule 2 to the Original Financing Agreement shall apply to the proceeds of the Financing utilized to finance such goods, works, non-consulting services or consultants’ services and to the procurement of such goods, works, non-consulting services and consultants' services.”

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and consultants’ services, including audits, Operating Costs and Training, for the Project, except Matching Grants under Part B (a) of the Project</td>
<td>6,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Matching Grants under Part B (a) of the Project</td>
<td>2,300,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,000,000</td>
<td></td>
</tr>
</tbody>
</table>

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B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is October 31, 2017.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 1 and August 1:</td>
<td></td>
</tr>
<tr>
<td>Commencing February 1, 2021, to and including August 1, 2052</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Definitions

1. “Annual Work Plans and Budgets” means the annual work plans and budgets (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.F of Schedule 2 to this Agreement.


4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.

7. “Environmental and Social Management Framework” means the Recipient’s document entitled “Cadre de Gestion Environnementale et Sociale (CGES) Rapport Provisoire” dated March 2014, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

8. “Environmental and Social Management Plan” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity included under an Annual Work Program and Budget, that details: (i) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse
environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.


10. "HC3N" means the Recipient’s High Commission for the 3N Initiative (Haut Commissariat à l’Initiative 3N) established under the Recipient’s Presidency.

11. "Original Financing" means the Credit No. 4552-NE extended by the Association to the Recipient pursuant to the Original Financing Agreement.

12. "Original Financing Agreement" means the financing agreement for an Agro-Sylvo-Pastoral Exports and Markets Development Project between the Recipient and the Association, dated April 24, 2009, as amended to the date of this Agreement (Credit No. 4552-NE).

13. "Original Project" means the Project described in the Original Financing Agreement.

14. "Pest Management Plan" means the Recipient’s document entitled “Plan de Gestion des Pestes et Pesticides (PGP) Rapport Actualisé” dated March 2014, containing guidance on the manufacturing, packaging, labeling, handling, storage, disposition of pesticides financed under the Project and the cancellation or mitigation to an acceptable level of adverse impact these pesticides may have on the environment or on the population.


16. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated June 19, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

17. "Resettlement Action Plan" means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an Annual Work Program and Budget, which, inter alia; (i) contains a census survey of Displaced Persons and valuations of their assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.

19. "Safeguard Documents" means, collectively, the Pest Management Plan, the Environmental and Social Management Framework, the Environmental and Social Management Plans prepared in accordance with the Environmental and Social Management Framework, if any, the Resettlement Policy Framework, and the Resettlement Action Plans prepared in accordance with the Resettlement Policy Framework, if any.