Financing Agreement

(First Part of the Second Phase of the Niger Basin Water Resources Development and Sustainable Ecosystems Management Program)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 14, 2012
CREDIT NUMBER 5165-NE

FINANCING AGREEMENT

AGREEMENT dated December 4, 2012, entered into between REPUBLIC OF NIGER ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

WHEREAS (A) The Recipient is a riparian of the Niger Basin and a member of the Niger Basin Authority ("NBA") established among the Recipient and the Republic of Benin, Burkina Faso, the Republic of Cameroon, the Republic of Chad, the Republic of Cote d'Ivoire, the Republic of Guinea, the Republic of Mali, and the Federal Republic of Nigeria (collectively the "Member States") with the main long term objective of promoting cooperation among the Member States in developing and managing the Niger Basin's water resources.

(B) By resolution no. 6 of the 21st ordinary session of NBA’s Council of Ministers dated December 13, 2002, NBA engaged in the Shared Vision Process in order to develop the basin's natural resources with a view to generate in an equitable manner as much benefit as possible for all its Member States and their populations. After the adoption of the Niger Basin Stairable Development Action Plan to be implemented in several successive phases by the NBA’s Council of Ministers on July 26, 2007, the Member States approved: (i) a first 20-year investment program for its implementation (the Program); and (ii) the Water Charter, by decision no. 2 of the eighth (8th) Summit of the Heads of State and Government of Member States dated April 30, 2008.

(C) The Program is to be supported through financing provided or to be provided to NBA and directly to the Member States. The project described in Schedule 1 to this Agreement (the "Project"), which is part of the Program, is expected to be funded through financing to be obtained from the Association, Abu Dhabi Fund for Arab Economic Development, African Development Fund, Arab Bank for Economic Development in Africa, Investment and Development Bank of the Economic Community of West African States, French Development Agency, Islamic Development Bank, Kuwait Fund for Arab Economic Development, OPEC Fund, Saudi Fund for Development, and West African Development Bank, as described below.

(a) In addition to the Credit to be extended by the Association to the Recipient pursuant to this Agreement, the Association shall, pursuant to an IDA Grant Agreement of even date herewith, extend a grant in an amount in Special Drawing Rights equivalent to three million Dollars to NBA for the financing of the Part 1 of the Project.
(b) Pursuant to the AD Co-financing Agreement, the Abu Dhabi Fund for Arab Economic Development has extended to the Recipient a loan of thirty six millions seven hundred and thirty thousand (36,730,000) Emiratis Dirhams approximately equivalent to ten million Dollars ($10,000,000) for the co-financing of Part 2.1 of the Project.

(c) The African Development Fund (AfDF) participates in the financing of the Project as follows:

(i) Pursuant to the AfDF First Co-financing Agreement, the African Development Fund has extended to the Recipient a grant of twenty million Accounting Units (AU 20,000,000) (as “Accounting Units” and “AU” are defined in the AfDF First Co-financing Agreement), approximately equivalent to thirty two million two hundred and ten thousand Dollars ($32,210,000) for the co-financing of Parts 2.1, 3.1 and 3.3 of the Project.

(ii) Pursuant to the AfDF Second Co-financing Agreement, the African Development Fund has extended to the Recipient a loan of twenty million Accounting Units (AU 20,000,000) (as “Accounting Units” and “AU” are defined in the AfDF Second Co-financing Agreement), approximately equivalent to thirty two million two hundred and ten thousand Dollars ($32,210,000) for the co-financing of Parts 2.1, 3.1 and 3.3 of the Project.

(iii) In addition, the Recipient has requested from the African Development Fund, and the African Development Fund is expected to provide pursuant to an AfDF Third Co-financing Agreement a loan in an amount of forty million Accounting Units (40,000,000 AU) (as “Accounting Units” and “AU” are defined in the AfDF Third Co-financing Agreement), approximately equivalent to sixty million Dollars ($60,000,000) for the co-financing of Part 2.2 of the Project.

(d) Pursuant to the ABEIDA Co-financing Agreement, the Arab Bank for Economic Development in Africa has extended to the Recipient a loan of ten million Dollars ($10,000,000), for the co-financing of Part 2.1 of the Project.

(e) Pursuant to the EBID Co-financing Agreement, the Investment and Development Bank of ECOWAS has extended to the Recipient a loan of a maximum amount of four million seven hundred fifty three thousand
four hundred and sixty three Accounting Units (AU 4,753,463) (as “Accounting Units” and “AU” are defined in the EBID Co-financing Agreement), approximately equivalent to seven million five hundred thousand Dollars ($7,500,000) for the co-financing of Part 2.1 of the Project.

(f) The Recipient has requested from the French Development Agency three financing facilities for the co-financing of the Project:

(i) Pursuant to an AFD First Co-financing Agreement, the French Development Agency is expected to provide a loan in an amount of thirty-seven million Euros (Euros 37,000,000) approximately equivalent to forty-eight million one hundred thousand Dollars ($48,100,000) for the co-financing of Part 2.2 of the Project.

(ii) Pursuant to an AFD Second Co-financing Agreement, the French Development Agency is expected to provide a loan in an amount of sixteen million Euros (Euros 16,000,000) approximately equivalent to twenty million eight hundred thousand Dollars ($20,800,000) for the co-financing of Part 3.3 of the Project.

(iii) Pursuant to an AFD Third Co-financing Agreement, the French Development Agency is expected to provide a loan in an amount of eighteen million Euros (Euros 18,000,000) approximately equivalent to twenty-three million four hundred thousand Dollars ($23,400,000) for the co-financing of Part 3.2 of the Project.

(g) The Islamic Development Bank (IsDB) participates in the financing of the Project as follows:

(i) Pursuant to the IsDB First Co-financing Agreement, the Islamic Development Bank has provided a mandate to the Recipient to purchase in its name and on its behalf equipment required for the implementation of Part 2.1 of the Project for an amount not to exceed thirteen million three hundred thousand Euros (Euros 13,300,000), approximately equivalent to twenty million Dollars ($20,000,000), with a view for Islamic Development Bank to resell them to the Recipient at a later stage, in accordance with the provisions of the IsDB First Co-financing Agreement.
Pursuant to the IsDB Second Co-financing Agreement, the Islamic Development Bank has extended to the Recipient a loan of a maximum amount of eighteen million nine hundred thousand Islamic Dinars (ID 18,900,000) approximately equivalent to thirty million Dollars ($30,000,000) for the co-financing of Part 2.1 of the Project.

Pursuant to the KF Co-financing Agreement, the Kuwait Fund for Arab Economic Development has extended to the Recipient a loan of a maximum amount of five million seven hundred thousand Kuwaiti Dinars (KD 5,700,000) approximately equivalent to twenty million Dollars ($20,000,000) for the co-financing of Part 2.1 of the Project.

Pursuant to the OPEC Co-financing Agreement, the OPEC Fund for International Development has extended to the Recipient a loan of fifteen million Dollars ($15,000,000) for the co-financing of Part 2.1 of the Project.

Pursuant to the SF Co-financing Agreement, the Saudi Fund for Development has extended to the Recipient a loan of seventy-five million Saudi Riyals (SR 75,000,000), approximately equivalent to twenty million Dollars ($20,000,000) for the co-financing of Part 2.1 of the Project.

The West African Development Bank (WADB) participates in the financing of the Project as follows:

Pursuant to the WADB First Co-financing Agreement, the West African Development Bank has extended to the Recipient a loan of ten billion Francs of the African Community (CFAF 10,000,000,000), representing approximately twenty three million one hundred and twenty thousand Dollars ($23,120,000) for the co-financing of Parts 2.1 and 3.1 of the Project.

Pursuant to the WADB Second Co-financing Agreement, the West African Development Bank has extended to the Recipient a loan of ten billion Francs of the African Community (CFAF 10,000,000,000), representing approximately twenty three million one hundred and twenty thousand Dollars ($23,120,000) for the co-financing of Parts 2.1 and 3.1 of the Project.
The Recipient shall provide an amount of not less than the equivalent of one hundred and eighty-six million five hundred and ninety thousand Dollars ($186,900,000) for the Project, as counterpart funds.

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 or in the Appendix to this Agreement.

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 one hundred and thirty-two million six hundred thousand Special Drawing Rights (SDR 132,600,000) (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%) per annum.

2.05. The Payment Dates are March 15 and September 15 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 objective of the Project and the Program. To this end, the Recipient shall carry out Parts 2 and 3 of the Project through HCDNV 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 Parts 2 and 3 of the Project are carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen, which makes it improbable that the Program can be carried out or that the Recipient will be able to perform its obligations under this Agreement.

(b) NBA has failed to maintain the Dam Safety Panel and the Environmental and Social Experts Panel, in accordance with the provisions of Section I.A.5 (a) and (b) of Schedule 2 to this Agreement.

4.02. (a) The ADF Co-financing Deadline is March 1, 2014.

(b) The AFD First Co-financing Deadline is March 1, 2014.

(c) The AFD Second Co-financing Deadline is March 1, 2013.

(d) The AFD Third Co-financing Deadline is March 1, 2015.

(e) The AfDF Third Co-financing Deadline is March 1, 2014.

4.03. The Additional Event of Acceleration consists of the following, namely, that any of the events specified in Section 4.01 of this Agreement occurs.
ARTICLE V -- EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Project Implementation Manual has been revised and adopted by the Recipient for the Project in form and substance satisfactory to the Association.

(b) The HCDVN has been restructured in a manner acceptable to the Association pursuant to a legal instrument in form and substance satisfactory to the Association.

(c) The IDA Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of NBA to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

5.03. Except as provided in Section 1.D.2(a)(iii) of Schedule 2 to this Agreement, for purposes of Section 8.05 (t) 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Recipient's Minister responsible for planning.

6.02. The Recipient’s Address is:

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

Fax: 227 20 72 40 20
6.03. The Association's Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248-23 (MCI) 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

[Signature]

Authorized Representative

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Sri Mulyani Indrawati
Title: Managing Director
SCHEDULE 1

Project Description

The objective of the Project is to increase access to water for agriculture development and capacity for energy generation in the Recipient's part of the Niger Basin.

The Project constitutes the first part of the second phase of the Program, and consists of the following parts:

Part 1. Institutional Strengthening of NBA

Enhancing NBA's capacity by carrying out an institutional and organizational audit of NBA and strengthening NEA's Project supervision and regional water resources management capacity.

Part 2. Kandadji Program Energy Infrastructure

2.1. Provision of works, goods and services for the construction of: (i) the Kandadji Dam, including the hydraulic equipment for eighteen (18) gates, preparation studies and supervision works; and (ii) an associated reservoir with a gross storage capacity of about 1.56 billion cubic meters.

2.2. Provision of works, goods and services for: (i) the construction, equipment and installation of an open air type of power plant in the concrete body of the Kandadji Dam, equipped with four Kaplan turbines with rated capacity of 32.5 megawatts for a total installed capacity of 130 megawatts, including preparation studies, and supervision; (ii) the provision of support to the engineering supervision of the construction, equipment and installation of the power plant described in paragraph (i) immediately above and to the Independent Panels of Experts for the design and supervision of the implementation of the mitigation measures of the environmental and social impacts of the Project; (iii) the design of: (A) the energy master plan including Project's linkage with the West African Power Pool, and (B) the contract for the operation of the Kandadji Dam and its power plant; and (iv) support to HCDNV for its activities for the coordination and implementation of Parts 2 and 3 of the Project, including a communication program.

Part 3. Environmental and Social Safeguards Measures and Promotion of the Growth Pole through Irrigation Development (including rehabilitation) and Local Community Development
3.1 Provision of support for the planning, implementation and monitoring of the mitigation measures of the Project's direct and indirect environmental and social impacts including, without limitation, setting up and operating the Biodiversity Offset Area, in accordance with the provisions of the Safeguard Documents.

3.2 Provision of support to irrigation development linked to the Kandadji Dam, through: (a) the preparation of a master plan (including, *inter alia*, irrigated agriculture, fishery, trade, tourism, livestock) for the sustainable development of approximately 45,000 hectares; (b) the rehabilitation of existing irrigated schemes on approximately 1,000 hectares for the consolidation of food security in the area; and (c) the design and implementation of a pilot agro-business growth pole of diversified commercial crops over approximately 1,500 hectares downstream from the Kandadji Dam.

3.3 Provision of support to local development initiatives, by: (a) strengthening planning and implementation capacities of communes, communities and partner organizations in selected areas for local development and investment planning; (b) establishing a local development fund for: (i) the provision of financial support on a demand basis to eligible communes and communities for the implementation of eligible activities in their investment plans, including community investments to improve access to basic services, natural resources management and watershed restoration; and (ii) the provision of Matching Grants to eligible Beneficiaries for the implementation of eligible micro-business income generating activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Contractual Arrangements

The Recipient shall take all actions needed for the following implementation arrangements to be established and maintained throughout Project implementation:

1. (a) The progress of Parts 2 and 3 of the Project shall be monitored by the Steering Committee. The Steering Committee shall at all times during Project implementation have terms of reference and a composition satisfactory to the Association.

   (b) Without limitation to the provisions of paragraph (a) immediately above, the Steering Committee shall be chaired by the Recipient’s Prime Minister, with the Recipient’s Minister responsible for planning acting as Vice Chairman, and include representatives of the all Recipient’s ministries involved in the Project, the development partners but only as an observer with no decision making power, in the case of the Association), NBA and HCDNV.

2. (a) HCDNV, with technical support from the CTC, shall be responsible for the implementation and coordination of Parts 2 and 3 of the Project. HCDNV and the CTC shall at all times during Project implementation have terms of reference and a composition satisfactory to the Association.

   (b) Without limitation to the provisions of paragraph (a) immediately above, HCDNV shall carry out (with support from consultants and entities from the Recipient’s public sector as necessary) all coordination, fiduciary, environmental, social, communication, reporting, monitoring and evaluation activities with respect to Parts 2 and 3 of the Project.

   (c) Without limitation to the provisions of paragraph (a) immediately above, HCDNV shall include, under the authority of its High Commissioner, among other, a directorate for administrative and personnel affairs, a directorate for communication and information, a directorate for environmental and social affairs including local development, a directorate for procurement and financial management, a technical directorate and a locally based regional unit for the implementation of the activities.

3. HCDNV shall at all times during Project implementation maintain sufficient staff with terms of reference, qualifications and experience satisfactory to the Association, including, without limitation, in the administrative, financial,
procurement, environmental, social (including resettlement and local development), communication, coordination, supervision, technical and engineering sectors.

4. No later than January 7, 2013, HCDVN shall enter into and thereafter maintain throughout the implementation of Part 3 of the Project, a memorandum of understanding in form and substance satisfactory to the Association with the entity under whose authority is anchored the CAP National Coordination Unit, for the implementation of irrigation and local development activities.

5. (a) No later than the date (currently planned to be June 30, 2015) falling one (1) year before the expected date of impoundment of the reservoir of the Kandadji Dam, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall establish an arrangement satisfactory to the Association for the operation of the dam and the plant included in Part 2 of the Project.

(b) No later than the date (currently planned to be September 30, 2015) falling nine (9) months before the expected date of impoundment of the reservoir of the Kandadji Dam, or such other date which the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall cause a power purchase agreement in form and substance satisfactory to the Association to be entered into between the operator established in accordance with paragraph (a) immediately above and NIGELEC.

6. (a) (i) The Recipient shall take all actions necessary on its part to cause NBA to maintain, until the Association is satisfied that the construction of the Kandadji Dam has been completed and duly commissioned, a dam safety panel ("Dam Safety Panel") comprised of independent experts having terms of reference, qualifications and experience acceptable to the Association, to advise on associated dam safety risks.

(ii) Without limitation to the generality of paragraph (i) immediately above, the Dam Safety Panel shall regularly provide reports, which shall be promptly distributed to, inter alia, the Recipient, NBA and the Association, on, inter alia, the status of implementation of the Dam Safety Plan.

(b) (i) The Recipient shall take all actions necessary on its part to cause NBA to maintain, throughout the implementation of the Project, an environmental and social experts panel ("Environmental and Social Experts Panel") comprised of independent experts having terms of reference, qualifications and experience acceptable to the Association, to provide advice and recommendations on all environmental and social aspects of the Project.
(ii) Without limitation to the generality of paragraph (i) immediately above, the Environmental and Social Experts Panel shall provide regular reports to NBA, which shall be promptly distributed to, inter alia, the Recipient and the Association, and which shall include, inter alia, an assessment of the status of implementation of each of the Safeguard Documents, except the Dam Safety Plan.

B. Anti-Corruption

The Recipient shall ensure that Parts 2 and 3 of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Matching Grants

1. (a) For the implementation of Part 3.3(b)(ii) of the Project, the Recipient, acting through CAP National Coordination Unit or the relevant CAP Regional Coordination Unit, as the case may be, shall provide annual allocations of proceeds of the Financing to Targeted Communes as Matching Grants for the financing of eligible Subprojects to be implemented by eligible Beneficiaries, in accordance with eligibility criteria and under terms and conditions acceptable to the Recipient and the Association and further described in the Project Implementation Manual. Each Targeted Commune shall appraise, propose for a financing under a Matching Grant, and monitor the Subprojects, and administer the Matching Grants under Part 3.3(b)(ii) of the Project, in accordance with the provisions and procedures set forth in the Project Implementation Manual.

(b) Without limitation to the provisions of paragraph (a) immediately above, no Subproject shall be eligible for a financing from a Matching Grant, unless the Targeted Commune shall have determined, on the basis of an appraisal conducted in accordance with this Section and guidelines set forth in the Project Implementation Manual, the Environmental and Social Management Framework and the Resettlement Policy Framework, that the proposed Subproject for which the Matching Grant is to be made satisfies the eligibility criteria acceptable to the Association described in the Project Implementation Manual, which shall include the following:

(i) the proposed Subproject is included in a regularly adopted Targeted Commune’s Communal Development Plan and its corresponding Annual Investment Plan which reflect the priorities expressed by the Communities;
(ii) the proposed Subproject is compatible with the Recipient's policies and standards on irrigation, health, education, transport, environment, livestock husbandry, fishery, art craft, ecotourism and agriculture, as applicable, as confirmed by the results of a technical appraisal by the relevant decentralized technical services of the Recipient;

(iii) the proposed Subproject is presented for financing under a Matching Grant by a Targeted Commune which meets the eligibility criteria specified in the Project Implementation Manual, and such Targeted Commune shall be eligible for subsequent Matching Grants if it has completed any prior Subproject to the satisfaction of the Recipient and the Association;

(iv) the proposed Subproject shall be for activities such as, but not limited to, the following: (A) socio-economic activities and infrastructure; (B) income generating activities; and (C) land and natural resource sustainable management activities, as further detailed in the Project Implementation Manual;

(v) the proposed Subproject is expected to be carried out by Beneficiary that is a micro-enterprise (duly established with legal personality in accordance with the Recipient's laws) or an individual who has provided satisfactory evidence demonstrating ability: (A) to provide the required contribution to the financing of the proposed Subproject, as stated in the Project Implementation Manual, out of resources other than the Matching Grant, as well as (B) to carry out the proposed Subproject.

(vi) the contribution of the Matching Grant to the investment cost of each proposed Subproject shall not exceed the amount of $100,000 equivalent, except as previously agreed in writing with the Association;

(vii) the financing of the proposed Subproject shall be fully covered by the sum of the Matching Grant, the additional Recipient's or Targeted Commune's contribution, if any, and the Beneficiary's contribution; and

(viii) the proposed Subproject shall comply with the financial, procurement, and environment guidelines and procedures set forth or referred to in the Project Implementation Manual (including without limitation, its financial, accounting and administrative procedures), the Environmental and Social Management Framework, the Resettlement Policy Framework and the Anti-Corruption Guidelines applicable to recipients of the funds of the Financing other than the Recipient.
2. (a) A Subproject shall be financed and carried out pursuant to a Matching Grant Agreement, to be concluded between the Recipient, through the relevant CAP Regional Coordination Unit or the CAP National Coordination Unit, as the case may be, and the Targeted Commune, drafted on the basis of the model agreement attached to the Project Implementation Manual, and under terms and conditions described in more detail in the Project Implementation Manual, which shall, inter alia, include the following:

(i) The Matching Grant shall:

(A) be made on a grant basis; and

(B) shall not exceed the lesser of: (AA) the total estimated cost of the Subproject minus the sum of the amount of the Beneficiary’s contribution as stated in the Project Implementation Manual for the relevant type of Subproject, and the additional Recipient’s or Targeted Commune’s contribution, if any, and (BB) the maximum amount of the Matching Grant as stated in the Project Implementation Manual for the relevant type of Subproject.

(ii) The Targeted Communes shall:

(A) cause the Beneficiary to contribute, in cash or in kind, at least the percentage of the projected Subproject investment costs required in the Project Implementation Manual;

(B) cause the Beneficiary to:

(AA) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, environmental, social, engineering, economic, financial and managerial 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 (as well as the Environmental and Social Management Plan prepared for specific activities carried out under its Subproject, if any) and the Resettlement Policy Framework (as well as the Resettlement Action Plan prepared for specific activities carried out under its Subproject, if any);
(BB) provide, promptly as needed, the resources required for the purpose;

(CC) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement and ensure that they will be used exclusively in the carrying out of the Subproject;

(DD) 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;

(EE) (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 Recipient and the Association, and allow the Association to make the Matching Grant Agreement and all financial statements audited pursuant to sub-paragraph (EE)(2) immediately above available to the public in accordance with the Association’s policies on access to information;

(FF) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and

(GG) 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.

(iii) (A) The Recipient shall obtain rights adequate to protect the Recipient’s interests and those of the Association.

(B) Without limitation to the generality of the provision in paragraph (A) immediately above, the Recipient shall have the right to suspend or terminate the right of the Targeted Commune, and to cause the Targeted Commune 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 Targeted Commune’s failure to perform any of its obligations under the Matching Grant Agreement, or to cause the Beneficiary to perform any of its obligations described in the Matching Grant Agreement.

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

D. Safeguards

1. The Recipient shall ensure that:

(a) all terms of reference for any technical assistance or studies carried out under Parts 2 and 3 of the Project are consistent with, and pay due attention to, the Association’s environmental and social safeguards policies, as well as the Recipient’s own laws relating to the environment and social aspects; and

(b) in drafting any regulations under Parts 2 and 3 of the Project, due attention will be given to said policies and laws.

2. The Recipient shall ensure that Parts 2 and 3 of 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) (i) for each activity under Parts 2 or 3 of 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;

(ii) no later than the date (which is currently planned to be December 31st, 2014) falling eighteen (18) months prior to the projected date of impoundment of the reservoir of the Kandadji
Dam, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall have caused the Biodiversity Offset Area: (A) to have been legally established through a legal instrument in form and substance satisfactory to the Association with full involvement of the impacted communities pursuant to a decision-making process satisfactory to the Association and with satisfactory mitigation measures for the communities (including the most vulnerable members), and (B) to be operating in accordance with the provisions of the Wild Life and Natural Habitat Management Plan, in a manner satisfactory to the Association and all in a manner consistent with the provision of the Bank Policy OP/BP 4.04; and

(iii) the Recipient shall maintain the Biodiversity Offset Area and shall ensure that sufficient resources are allocated to the operation of the Biodiversity Offset Area, without time limitation to this obligation unless otherwise agreed with the Association; and

(b) (i) no later than January 7, 2013, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall have confirmed the level of impoundment of the reservoir for the operation of the Kandadji Dam and completed the census of Displaced Persons to be included in the Resettlement Action Plan 2 (the “Census”) in a manner acceptable to the Association;

(ii) no later than January 7, 2014, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose: (A) the Recipient shall have completed the preparation, consultation upon and disclosure of the Resettlement Action Plan 2 in form and substance satisfactory to the Association, all in accordance with the Bank Policy OP/3P 4.12 and the provisions of the Resettlement Policy Framework; and (B) the Environmental and Social Experts Panel shall have issued a report in form and substance satisfactory to the Association on the status of completion of the Resettlement Action Plan 2 confirming, inter alia, that the Resettlement Action Plan 2 has been prepared, consulted upon and disclosed, all in accordance with the Bank Policy OP/BP 4.12 and the provisions of the Resettlement Policy Framework;

(iii) no later than June 30, 2015, or such other date as the Association shall have confirmed in writing is acceptable to the Association
for that purpose: (A) the Recipient shall have completed the resettlement of not less than forty percent (40%) of the Displaced Persons identified in the Resettlement Action Plan 2 in a manner satisfactory to the Association and in accordance with the provisions of the Resettlement Action Plan 2; and (B) the Environmental and Social Experts Panel shall have issued a report in form and substance satisfactory to the Association on the status of implementation of the Resettlement Action Plan 2 confirming, *inter alia*, that not less than forty percent (40%) of the Displaced Persons identified in the Resettlement Action Plan 2 have been effectively resettled all in accordance with the Bank's Policy OP/BP 4.12 and the provisions of the Resettlement Action Plan 2;

(iv) no later than the date (which is currently planned to be December 1st, 2015) falling six (6) months prior to the projected date of impoundment of the reservoir of the Kandadji Dam, or such other date as the Association shall have confirmed in writing, is acceptable to the Association for that purpose: (A) the Recipient shall have completed the resettlement of one hundred percent (100%) of the Displaced Persons identified in the Resettlement Action Plan 2 in a manner satisfactory to the Association and in accordance with the provisions of the Resettlement Action Plan 2; and (B) the Environmental and Social Experts Panel shall have issued a report in form and substance satisfactory to the Association on the status of implementation of the Resettlement Action Plan 2 confirming, *inter alia*, that one hundred percent (100%) of the Displaced Persons identified in the Resettlement Action Plan 2 have been effectively resettled all in accordance with the Bank Policy OP/BF 4.12 and the provisions of the Resettlement Action Plan 2;

(v) the Recipient shall take all measures necessary for its part, and shall cause all other persons to take all measures necessary for their respective parts, to ensure that the impoundment of the reservoir of the Kandadji Dam shall not start before: (A) the Resettlement Action Plan 2 has been fully implemented in a manner satisfactory to the Association; and (B) the Environmental and Social Experts Panel has issued a report in form and substance satisfactory to the Association on the status of implementation of the Resettlement Action Plan 2 confirming, *inter alia*, that the Resettlement Action Plan 2 has been fully implemented in accordance with its own terms and conditions and with the Bank Policy OP/BP 4.12; and
(vi) for each activity under Parts 3.2 or 3.3 of 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; and

(c) (i) no later than the date (which is currently planned to be June 30, 2015) falling one (1) year prior to the projected date of impoundment of the reservoir of the Kandadji Dam, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall have furnished the final draft of the Emergency Preparedness Plan to the Association and the Dam Safety Panel for review; and

(ii) no later than the date (which is currently planned to be January 7, 2016) falling six (6) months prior to the projected date of impoundment of the reservoir of the Kandadji Dam, or such other date as the Association shall have confirmed in writing is acceptable to the Association for that purpose, the Recipient shall adopt the Dam Operation and Maintenance Plan, in form and substance acceptable to the Association and the Dam Safety Panel.

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.

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 (including reports from the Dam Safety Panel and the Environmental and Social Experts Panel), 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. **Annual Work Plans and Budgets**

1. Each year the Recipient shall prepare and submit to the Steering Committee and then to the Association for approval, a draft annual work plan (including Training and Operating Costs) and budget (including Co-financing and Counterpart Funds) for Parts 2 and 3 of the Project, for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than December 15 of each year, the annual work plans and budgets, for their review and approval; except for the annual work plan and budget for the first year of Project implementation 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. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior approval.

F. **Counterpart Funds**

1. No later than October 5, 2012 and October 15 of each year thereafter, or such later date as agreed in writing by the Association, the Recipient shall provide to the Association evidence, in form and substance satisfactory to the Association, that the draft budget law including the Recipient’s annual budget for the next fiscal year submitted to the Recipient’s parliament for enactment, reflects a proposal to complete the financing of the activities under Parts 2 and 3 of the Project described in the corresponding Annual Work Plan and Budget in a manner satisfactory to the Association.
2. Without limitation to the provisions of paragraph 1 immediately above, the Recipient shall:

(a) open a separate deposit account (the "Project Account") and maintain the Project Account open for a period of not less than two (2) years after the implementation of the Project, for the exclusive purpose of depositing Counterpart Funds in accordance with paragraphs (b) and (c) immediately below. The Project Account shall be opened in a bank acceptable to the Association, under terms and conditions satisfactory to the Association including, inter alia, the waiver of the right that said bank may have to set off any amount deposited in the Project Account with any other debt;

(b) without limitation to the generality of Section 4.03 of the General Conditions, no later than (i) March 31, (ii) June 30, (iii) September 30 and (iv) December 31 each year, starting on the first of these dates after the Effective date, deposit into the Project Account the amount indicated in the Annual Work Plan and Budget to be provided by the Recipient for the financing of Parts 2 and 3 of the Project for the next quarter ("Counterpart Funds"); and

(c) ensure that the funds deposited in the Project Account are used exclusively for the financing of the operations to which they have been allocated as reflected in the Annual Work Plan and Budget.

G. Project Implementation Manual

1. (a) The Recipient shall carry out Parts 2 and 3 of the Project in accordance with the Project Implementation Manual; and (b) except as the Association shall otherwise agree, the Recipient 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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of Parts 2 and 3 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 (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. Forty-two (42) months after the Effective Date, or at any other date agreed with the Association, the Recipient shall, in conjunction with the Association and NBA, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of Parts 2 and 3 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 Parts 2 and 3 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 Parts 2 and 3 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 Parts 2 and 3 of the Project in furtherance of the objective of the Project.

3. For purposes of Section 4.18 (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 before the Closing Date.

B. Financial Management, Financial Reports and Audits

1. 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.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for Parts 2 and 3 of the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

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

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for Parts 2 and 3 of 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 Parts 2 and 3 of 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) Limited International Bidding; (b) National Competitive Bidding, subject to using bidding documents acceptable to the Association; (c) Shopping; (d) Direct Contracting; (e) Procurement from a UN Agency (UNESCO, UNHCR, FAO); (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association; and (h) Community Participation procedures which have been found acceptable to the Association.
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) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of UN Agency (UNESCO, UNHCR, FAO); (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

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.

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 1 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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants services, operating costs and Training for Part 1 of the Project</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(2) Goods, works and consultants services for Part 2.1 of the Project</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(3) Goods, works and consultants services for Part 2.2(i) of the Project (Subject to Section IV.B.1(b) and prior to the satisfaction of the provisions of Section IV.B.1(c))</td>
<td>22,860,000</td>
<td>51.50%</td>
</tr>
<tr>
<td>(4) Goods, works and consultants services for Part 2.2(ii) of the Project</td>
<td>53,330,000</td>
<td>51.50%</td>
</tr>
<tr>
<td>(5) Consultants services, Operating Costs and Training for Part 2.2 (ii), (iii) and (iv) of the Project</td>
<td>16,640,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Goods, works, consultants services, Operating Costs and Training for Part 3.1 of the Project</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(7) Goods, works, consultants services, Operating Costs and Training for Parts 3.2 and 3.3(a) and (b)(i) of the Project</td>
<td>27,840,000</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Matching Grants under Part 3.3(b)(ii) of the Project</td>
<td>11,930,000</td>
<td>100% of amounts disbursed for Sub-Project goods, works and services</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>132,600,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 3,320,000 equivalent may be made for payments made prior to this date but on or after August 1, 2012, for Eligible Expenditures under Categories (5), (7) and (8);

   (b) under Category 3 until the Recipient shall have completed the Census in accordance with Section I.D.2(b)(i) of Schedule 2 to this Agreement; or

   (c) under Category 4 until: (A) a first disbursement has been made under Category 3; (B) the Resettlement Action Plan 2 has been prepared, consulted upon and disclosed in accordance with the provisions of Section I.D.2(b)(ii)(A) of Schedule 2 to this Agreement; and (C) the Environmental and Social Experts Panel's report has been issued and transmitted to the Association in accordance with the provisions of Section I.D.2(b)(ii)(B) of Schedule 2 to this Agreement.

2. The Closing Date is April 1, 2020.
### 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 March 15 and September 1:</td>
<td></td>
</tr>
<tr>
<td>commencing March 15, 2023 to and including September 15, 2032</td>
<td>1%</td>
</tr>
<tr>
<td>commencing March 15, 2033 to and including September 15, 2052</td>
<td>2%</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

Section I - Definitions


2. "ADF Co-financing Agreement" means the agreement entitled in its French non official translation "Convention de Prêt entre la République du Niger et le Fonds de Développement d’Abu Dhabi pour le Financement du Programme de Barrage de Kondaliji Phase I" entered into on December 12, 2011, between the Abu Dhabi Fund for Arab Economic Development and the Recipient for the financing of the Project. "ADF Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the ADF Co-financing Agreement.

3. "ADF Co-financing Deadline" means the deadline for the effectiveness of the ADF Co-financing Agreement and satisfaction of all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or to the disbursement of funds extended under, the ADF Co-financing Agreement), as such date is indicated in Section 4.02(a) of this Agreement.

4. "AFD First Co-financing Agreement" means the agreement to be entered into between the French Development Agency (Agence Française de Développement) and the Recipient for the financing of Part 2.2 of the Project. "AFD First Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the AFD First Co-financing Agreement.

5. "AFD First Co-financing Deadline" means the deadline for the effectiveness of the AFD First Co-financing Agreement and satisfaction of all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or to the disbursement of funds extended under, the AFD First Co-financing Agreement), as such date is indicated in Section 4.02(b) of this Agreement.
6. "AFD Second Co-financing Agreement" means the agreement to be entered into between the French Development Agency (Agence Française de Développement) and the Recipient for the financing of Part 3.3 of the Project. "AFD Second Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the AFD Second Co-financing Agreement.

7. "AFD Second Co-financing Deadline" means the deadline for the effectiveness of the AFD Second Co-financing Agreement and satisfaction of all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or of the disbursement of funds extended under, the AFD Second Co-financing Agreement), as such date is indicated in Section 4.02(c) of this Agreement.

8. "AFD Third Co-financing Agreement" means the agreement to be entered into between the French Development Agency (Agence Française de Développement) and the Recipient for the financing of Part 3.2 of the Project. "AFD Third Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the AFD Third Co-financing Agreement.

9. "AFD Third Co-financing Deadline" means the deadline for the effectiveness of the AFD Third Co-financing Agreement and satisfaction of all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or of the disbursement of funds extended under, the AFD Third Co-financing Agreement), as such date is indicated in Section 4.02(d) of this Agreement.


12. “AfDF Third Co-financing Agreement” means the agreement to be entered into between the African Development Fund and the Recipient for the financing of the Project. “AfDF Third Co-financing Agreement” includes all appendices, schedules and agreements supplemental to the AfDF Third Co-financing Agreement.

13. “AfDF Third Co-financing Deadline” means the deadline for the effectiveness of the AfDF Third Co-financing Agreement and satisfaction of all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or of the disbursement of funds extended under, the AfDF Third Co-financing Agreement), as such date is indicated in Section 4.02(c) of this Agreement.


15. “Annual Work Plans and Budgets” means the annual work plans and budgets for the implementation of the Project approved by the Association, referred to in Section 1.E of Schedule 2 to this Agreement.


19. “Beneficiary” means a Community belonging to or an individual residing in a Targeted Commune which has met the eligibility criteria specified in the Project Implementation Manual and as a result, has been extended or is to be extended a Matching Grant for the carrying out of a Subproject; and “Beneficiaries” means each such Beneficiary collectively.

20. “Biodiversity Offset Area” means the legally protected area to be created by the Recipient in accordance with the provisions of Section I.D.2(a)(ii) of Schedule 2 to this Agreement, pursuant to the terms of the Wild Life and Natural Habitat Management Plan.

22. "CAP Regional Coordinating Unit" means one of the Regional offices of the CAP National Coordination Unit, operating in accordance with the provisions of the Project Implementation Manual.

23. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

24. "Census" means the census referred to in Section I.D.2(b)(i) of Schedule 2 to this Agreement.


26. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an aggregate amount equivalent to three hundred ninety five million four hundred fifty thousand Dollars ($395,450,000), to be provided by the Co-financiers to assist in financing the Project.

27. "Co-financing Deadline" referred to in Section 6.02(h) of the General Conditions as amended in Section II of this Appendix, means any of the ADF Co-financing Deadline, the AFD First Co-financing Deadline, the AFD Second Co-financing Deadline, the AFD Third Co-financing Deadline or the AfDF Third Co-financing Deadline.


30. "Community" means a group of socially cohesive local populations in the Communes.

32. “Counterpart Funds” means the funds to be provided by the Recipient to the Project in accordance with Section I.F.2 (b) of Schedule 2 to this Agreement.

33. “CTC” means the committee entitled “Comité Technique de Coordination de la Mise en Oeuvre du Programme ‘Kandadji’” established by Recipient’s decision (arrêté) no. 010/PM/HCA/VN dated February 5, 2008.

34. “Dam Operation and Maintenance Plan” means the operation and maintenance plan to be prepared and adopted by the Recipient for the Kandadji Dam in accordance with Section I.D.2(c)(ii) of Schedule 2 to this Agreement, which, inter alia, describes: (i) the organizational structure, staffing, technical expertise, and training required; (ii) the equipment and facilities needed to operate and maintain the Kandadji Dam; (iii) the operation and maintenance procedures; and (iv) the arrangements for finding operation and maintenance (including long-term maintenance and safety inspections) of the Kandadji Dam, and such term includes any schedules to such document.

35. “Dam Safety Panel” means the panel of experts for dam safety, established by NBA and referred to in Section I.A.6 (a)(i) of Schedule 2 to this Agreement.


37. “Displaced Person” means a person who, on account of the execution of an activity under Part 2 or 3 of 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.

39. "ECOWAS" means the Economic Community of West African States.

40. "Environmental and Social Experts Panel" means the environmental and social panel established by NIBA and referred to in Section I.A.6 (b)(i) of Schedule 2 to this Agreement.

41. "Emergency Preparedness Plan" means the emergency preparedness plan to be prepared and adopted by the Recipient for the Kandadji Dam in accordance with Section I.D.2(c)(i) of Schedule 2 to this Agreement, which specifies, inter alia, the roles of responsible parties when dam failure is considered imminent, or when expected operational low release threatens downstream life, property, or economic operations that depend on river flow levels, including: clear statements on the responsibility for dam operations decision making and for the related emergency communication; maps outlining inundation levels for various emergency conditions; flood warning system characteristics; and procedures for evacuating threatened areas and mobilizing emergency forces and equipment, and such term includes any schedules to such document.

42. "Environmental and Social Impact Assessment" means the Recipient's documents entitled “Etude d'Impact Environnemental et Social” updated in January 2012, containing an assessment of the environmental and social impacts the Project and including, inter alia, an Environmental and Social Management Plan with a construction and operation environmental and social management plan of the dam and plant referred to Part 2 of the Project, a Pest Management Plan and provisions for the establishment and operation of a Biodiversity Offset Area, and addressing, inter alia, chance finds procedures for physical cultural resources, local development plans, impact on biodiversity and environmental offset, impacts on fisheries and fisheries development and management, and aquaculture management, and such term includes any schedules to such document.

43. "Environmental and Social Management Framework" means the Recipient's document entitled “Cadre de Gestion Environnementale et Sociale - CGES” and dated January 2012, detailing: (a) the measures to be taken during the implementation and operation of Part 3 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, and such term includes any schedules to such document.

44. "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 Plan 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.

45. “FAO” means Food and Agriculture Organization of the United Nations.

46. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

47. “HCDNV” means the entity entitled “Haut Commissariat à l’Aménagement de la Vallée du Niger” established pursuant to the Recipient’s Decree no. 2002-267/PRN/PM dated November 19, 2002, as restructured in accordance with Section 5.01 (b) of this Agreement.

48. “IDA Grant Agreement” means the financing agreement for the financing of the Project between NBA and the Association, dated the same date as this Agreement, as such financing agreement may be amended from time to time. “IDA Grant Agreement” includes all appendices, schedules and agreements supplemental to the IDA Grant Agreement.


50. “Instrumentation Plan” means the Recipient’s document entitled “Manuel d’Exploitation, de Surveillance, d’Entretien et de Situation d’Urgence du Barrage de Kandadji”, dated January 2012, adopted by the Recipient for the Kandadji Dam, which details the installation of instruments to monitor and record the Kandadji Dam behavior and the related hydrometeorological, structural, and seismic factors, and such term includes any schedules to such document.


52. “IsDB Second Co-financing Agreement” means the agreement entitled in its French non official translation “Accord de Prêt entre le Gouvernement de la République du Niger et la Banque Islamique de Développement pour le
36

Financement du Projet de Construction du Barrage de Kandadji" entered into on May 6, 2008, between the Islamic Development Bank and the Recipient for the financing of the Project. "IsDB Second Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the IsDB Second Co-financing Agreement.

53. "Kandadji Dam" means the earth dam to be constructed under Part 2.1 of the Project approximately 8,400 meter long and 26 meter high with a stocking capacity of approximately 1.56 billion cubic meters of water, and related basic infrastructure on a site located on the Niger River in the Recipient's territory, about sixty (60) kilometers downstream from the border with the Republic of Mali, one hundred and eighty seven (187) kilometers upstream from the capital city of the Recipient, Niamey, and about four hundred and eighty nine (489) kilometers upstream from the border with the Federal Republic of Nigeria.

54. "KF Co-financing Agreement" means the agreement entitled in its English non official translation "Kf an Agreement - Kandadji Dam Project - between the Republic of Niger and Kuwait Fund for Arab Economic Development" entered into on March 27, 2009, between the Kuwait Fund for Arab Economic Development and the Recipient for the financing of the Project. "KF Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the KF Co-financing Agreement.

55. "Matching Grant" means a grant made or to be made by the Recipient to a Targeted Commune out of the proceeds of the Financing for the purpose of financing a Subproject implemented or to be implemented by a Beneficiary (subject to the provision of Section I (C) of Schedule 2 to this Agreement).

56. "Matching Grant Agreement" means the agreement between the Recipient and a Targeted Commune providing for a Matching Grant.

57. "MoA" means the Recipient's ministry responsible for agriculture.

58. "Member States" means collectively, the Recipient and the Republic of Benin, Burkina Faso, the Republic of Cameroon, the Republic of Chad, the Republic of Cote d'Ivoire, the Republic of Guinea, the Republic of Mali, and the Federal Republic of Nigeria.


60. "NIGELEC" means Société Nigérienne d'Electricité, the Recipient's power utility company.
61. "Niger Basin" means the basin of the Niger River, the principal river of western Africa, spreading throughout the respective territories of the Member States for about four thousand one hundred and eighty (4,180) kilometers from Southeastern part of the Republic of Guinea to the Federal Republic of Nigeria’s coast on the Gulf of Guinea.


63. "OFID Co-financing Agreement" means the agreement entitled in its French non official translation “Projet de Barrage de Kandadji - Accord de Prêt entre la République du Niger et le Fonds de l'OPEP pour le Développement International” entered into on February 12, 2009, between the OPEP Fund for International Development and the Recipient for the financing of the Project. "OFID Co-financing Agreement" includes all appendices, schedules and agreements supplemental to the OFID Co-financing Agreement.

64. "Operating Costs" means the incremental expenses incurred by HCDNV, CTC, the Steering Committee, the CAP National Coordination Unit, the CAP Regional Coordination Units, or the Targeted Communes based on the Annual Work Plans and Budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

65. "Pest Management Plan" means the Recipient’s document entitled “Plan de Lutte Antiparasitaire et de Gestion des Pesticides” dated January 2012, and annexed to the Environmental and Social Impact Assessment, describing the measures to be taken for development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, and such term includes any schedules to such document.


67. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated August 21, 2012, 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.
"Program" means the program referred to in NBA's letter to the Association dated June 17, 2002, including the development of: (i) the irrigable lands; (ii) livestock husbandry; (ii) navigable waterways; (iv) fish-farming; (v) ecotourism. (vi) hydropower; and (vii) reduction of poverty, as is being further developed and elaborated in the Niger Basin Sustainable Development Action Plan and the first 20-year investment program for its implementation.

"Project Account" means the account referred to in Section I.F.2 (a) of Schedule 2 to this Agreement.

"Project Implementation Manual" means the project implementation manual referred to in Section I.G of Schedule 2 to this Agreement, prepared and adopted in accordance with the provisions of Section 5.01(a) of this Agreement, setting out implementation, organizational, monitoring and evaluation, environmental and social monitoring and mitigation, fiduciary and targeting mechanisms, including administrative, accounting and financial procedures for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

"Region" means each of the eight administrative regions of the Recipient's territory established by the Recipient's Law no. 2002-012 of June 11, 2002, and "Regional" has a corresponding meaning.

"Resettlement Action Plan" means the Recipient's document or documents prepared and disclosed in accordance with the Resettlement Policy Framework related to an activity in Parts 3.2 or 3.3 of the Project, which, inter alia, (i) contains a census survey of Displaced Persons and valuation 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, and such term includes any schedules to such document.

"Resettlement Action Plan 1" means the Recipient's document entitled "Plan d'Action de Réinstallation du Programme « Kandadji » Vague 1" and dated January 2012, related to the construction area of the Kandadji Dam (excluding the reservoir area), which, inter alia, (i) contains a census survey of Displaced Persons and valuation 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, and such term includes any schedules to such document.

74. "Resettlement Action Plan 2" means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework related to the impoundment area of the reservoir of the Kandadji Dam, which, inter alia, (i) contains a census survey of Displaced Persons and valuation 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, and such term includes any schedules to such document.

75. "Resettlement Policy Framework" means the Recipient’s document entitled “Cadre de Politique de Réinstallation des Populations” and dated August 2012, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, and such term includes any schedules to such document.

76. “Safeguard Documents” means collectively: (i) the Environmental and Social Impact Assessment including, inter alia, the Environmental and Social Management Plan for the construction and operation of the Kandadji Dam, the Pest Management Plan, the Wild Life and Natural Habitat Management Plan, included therein, (ii) the Eam Safety Plan, (iii) the Environmental and Social Management Framework as well as (iv) the environmental and social impact studies, including the Environmental and Social Management Plans prepared for specific activities carried out under the Project, if any, (v) the Resettlement Action Plan 1, (vi) the Resettlement Policy Framework, (vii) the Resettlement Action Plan 2; and (viii) the social studies, including the Resettlement Action Plans prepared for specific activities carried out under Parts 3.2 and 3.3 of the Project, if any.

77. “SF Co-financing Agreement” means the agreement entitled in its French non official translation “Acora de Prêt entre le Fonds Saoudien de Développement et la République du Niger - Projet du Barrage de Kandadji” entered into on October 12, 2009, between the Saudi Fund for Development and the Recipient for the financing of the Project. “SF Co-financing Agreement” includes all appendices, schedules and agreements supplemental to the SF Co-financing Agreement.

78. “Steering Committee” means the committee entitled “Comité de Pilotage du Programme “Kandadji” de Régénération des Écosystèmes et de mise en valeur de la vallée du Niger”, established by the Recipient’s Decree no. 2011-511/PRN dated October 17, 2011.
79. "Subproject" means a set of activities carried out or to be carried out by a Beneficiary, financed or to be financed from the proceeds of a Matching Grant, in accordance with Sect 1.C of Schedule 2 to this Agreement.

80. "Targeted Communes" means the set of Communes selected to participate in the Project on the basis of eligibility criteria described in the Project Implementation Manual, and "Targeted Commune" means any of them.

81. "Training" means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets, including costs associated with seminars, workshops, conferences and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.


84. “WADB First Co-financing Agreement” means the agreement entitled “Accord de Prêt entre la Banque Ouest Africaine de Développement et la République du Niger pour le Financement Partiel du Programme « Kandadji » de Régénération des Écosystèmes et de Mise en Valeur de la Vallée du Niger Phase I en République du Niger” entered into on April 18, 2009, between the West African Development Bank and the Recipient for the financing of the Project. “WADB First Co-financing Agreement” includes all appendices, schedules and agreements supplemental to the WADB First Co-financing Agreement.


86. "Water Charter" means the international agreement adopted by decision no. 2 of the eighth (8th) Summit of the Heads of State and Government of Member States dated April 30, 2008, which is effective since July 19, 2010, aiming at encouraging cooperation among the Member States based on solidarity and reciprocity for sustainable, equitable and coordinated use of the Niger Basin resources, by, *inter alia*, establishing a mechanism for the notification of
proposed development affecting the use of the Niger Basin resources by Member States and an institutional framework for coordination and resolution of conflicts.

87. “West African Power Pool” means the power pool created by Decision A/DEC.5/12/99, during the twenty-second (22nd) Summit of the Authority of ECOWAS Heads of State and Government in order to address the issue of power supply deficiency within Western Africa.

88. “Wild Life and Natural Habitat Management Plan” means the Recipient’s document entitled “Plan de Gestion de la Vie Sauvage et des Habitats Naturels” dated January 2012, annexed to the Environmental and Social Impact Assessment, containing guidelines, procedures, timetables and other specifications for establishment of a biodiversity offset area under the Project, and such term includes any schedules to such document.

Section II - Amendment to the General Conditions

1. Section 6.2(h) (i) of the General Conditions is amended to read as follows:

“(i) If the Financing Agreement specifies a date by which the agreement with the Co-financier providing for the Co-financing (“Co-financing Agreement”) is to become effective and all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or to the disbursement of funds extended under, the Co-financing Agreement) are to be satisfied, the Co-financing Agreement has failed to become effective and all conditions to the right of the Recipient to withdraw funds thereunder (except for the condition that this Agreement and the IDA Grant Agreement have become effective if these are conditions to the effectiveness of, or to the disbursement of funds extended under, the Co-financing Agreement) have failed to be satisfied by that date, or such later date as the Association has established by notice to the Recipient (“Co-financing Deadline”); provided, however, that the provisions of this sub-paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under the Financing Agreement.”