Financing Agreement

(Sahel Irrigation Initiative Support Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date, entered into between the REPUBLIC OF NIGER ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS: (A) on October 31, 2013, the Recipient, Burkina Faso, the Republic of Chad, the Republic of Mali, the Islamic Republic of Mauritania, and the Republic of Senegal ("Participating Countries", as further defined in Section I of the Appendix to this Agreement) and the Permanent Interstate Committee for Drought Control in the Sahel ("CILSS", as further defined in Section I of the Appendix to this Agreement) adopted the Declaration of Dakar laying out their collective commitment to the expansion and the improvement of the irrigation sector in the Sahel while ensuring that all hydro-agricultural development is based on appropriate sector policies and strategies following a value chain approach and based on the rational and sustainable use of available resources, and recognizing the critical need for the sustained strengthening of capacities at regional, national, and local level for each category of key actors in the sector;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project" as described in Schedule 1 hereto), has requested the Association to assist in the financing of the Project;

(C) by a financing agreement to be entered into between Burkina Faso ("Burkina Faso") and the Association ("Burkina Faso Financing Agreement"), the Association will extend to Burkina Faso a grant in an amount equivalent to four million five hundred thousand Special Drawing Rights (SDR 4,500,000) and a credit in an amount of fifteen million nine hundred thousand Euro (EUR 15,900,000) to assist Burkina Faso in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Burkina Faso Financing Agreement;

(D) by a financing agreement to be entered into between the Republic of Chad ("Chad") and the Association ("Chad Financing Agreement"), the Association will extend to Chad a grant in an amount equivalent to seventeen million seven hundred thousand Special Drawing Rights (SDR 17,700,000) to assist Chad in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Chad Financing Agreement;
(E) by a financing agreement to be entered into between the Republic of Mali ("Mali") and the Association ("Mali Financing Agreement"), the Association will extend to Mali a grant in an amount equivalent to five million nine hundred thousand Special Drawing Rights (SDR 5,900,000) and a credit in an amount of fourteen million two hundred thousand Euro (EUR 14,200,000) to assist Mali in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Mali Financing Agreement;

(F) by a financing agreement to be entered into between the Islamic Republic of Mauritania ("Mauritania") and the Association ("Mauritania Financing Agreement"), the Association will extend to Mauritania a grant in an amount equivalent to seventeen million seven hundred thousand Special Drawing Rights (SDR 17,700,000) to assist Mauritania in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Mauritania Financing Agreement;

(G) by a financing agreement to be entered into between the Republic of Senegal ("Senegal") and the Association ("Senegal Financing Agreement"), the Association will extend to Senegal a credit in an amount of twenty-one million two hundred thousand Euro (EUR 21,200,000) to assist Senegal in financing part of the cost of activities related to the Project on the terms and conditions set forth in the Senegal Financing Agreement; and

(H) by a financing agreement to be entered into between the Association and the CILSS ("CILSS Financing Agreement"), the Association will extend to CILSS a grant in an amount equivalent to fourteen million two hundred thousand Special Drawing Rights (SDR 14,200,000) to assist CILSS in financing part of the cost of activities related to the Project on the terms and conditions set forth in the CILSS Financing Agreement;

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the grant and the credit provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in Section I of the Appendix to this Agreement) apply to and form 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 Preamble or in Appendix to this Agreement.
ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, a grant and a credit, both deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement (collectively, “Financing”) in the following amounts to assist in financing the Project:

(a) an amount equivalent to four million five hundred thousand Special Drawing Rights (SDR 4,500,000) ("Grant"); and

(b) the amount of fifteen million nine hundred thousand Euro (EUR 15,900,000) ("Credit").

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 is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are February 15 and August 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 objectives of the Project. To this end, the Recipient shall carry out Parts A.1, B.1 and C.2 of the Project through the Ministry of Agriculture and Livestock in accordance with the provisions of Article IV of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE ASSOCIATION

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

(a) The CILSS Financing Agreement shall have failed to become effective by June 30, 2018.

(b) The Association has suspended in whole or in part the right of the CILSS to make withdrawals under the CILSS Financing Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient, through the MAGEL, shall have adopted the Project Implementation Manual in form and substance satisfactory to the Association.

(b) The Recipient, through the MAGEL, shall have appointed to the PMU its financial management specialist under terms of reference and with qualifications and experience satisfactory to the Association.

5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

5.03. For purposes of Section 10.05(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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the minister responsible for planning.

6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Recipient’s address is:

Ministère du Plan
B.P. 862
Niamey
Republic of Niger; and
the Recipient’s Electronic Address is:

Facsimile:

(227) 2072-5322

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Association’s address is:

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

(b) the Association’s Electronic Address is:

Telex: Facsimile: E-mail:
248423 (MCI) (1) 202-477-6391 skane2@worldbank.org
AGREED as of the Signature Date.

REPUBLIC OF NIGER

Approved By:

[Signature]

Ministry of Finance

Name: Hassoumi Massaoudou
Title: Minister
Date: 

Signed By:

[Signature]

Authorized Representative, Ministry of Planning

Name: Kané Aïchatou Boulama
Title: Minister
Date: 04-05-18

INTERNATIONAL DEVELOPMENT ASSOCIATION

Signed By:

[Signature]

Authorized Representative

Name: Soukeyna Kane
Title: Country Director
Date: May 4, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to improve stakeholders' capacity to develop and manage irrigation and to increase irrigated areas using a regional Solutions approach in the Participating Countries across the Sahel.

The Project consists of the following parts:

Part A: Modernizing the Institutional Framework

1. National Level

Carrying out by the Recipient of a program of assessments of land, water resources and local production systems within the Project Intervention Areas and of organizational strengthening of the sector with a view to provide a basis for viable and sustainable irrigation development using the different Types of Irrigation System, and encompassing:

(a) the provision of consultants’ services and training required to carry out: (i) diagnosis studies on use of prior land tenure and the strengthening of local land management bodies; (ii) surface and groundwater resources assessment and the strengthening of local water resources management bodies in charge of water resources monitoring and water allocation procedures; and (iii) analysis of farmers production systems and identification of market opportunities for a sound agricultural development planning process at local level; and

(b) the provision of goods, consultants’ services and the financing of Operating Costs for the national and decentralized government services, irrigation agencies and producers’ umbrella organizations required: (i) to carry out inventories and monitoring of existing irrigation schemes in the Project Intervention Areas; (ii) to supervise the implementation of the local development planning under this Part A.1 of the Project and of the Irrigation Solutions under Part B of the Project; and (iii) to train and advise the Beneficiaries on irrigation scheme management and onward irrigated agricultural development.

2. Regional Level

Carrying out by the CILSS of a program of technical assistance and cross-learning activities for local development planning and organizational strengthening under Part A.1 of the Project, through the provision of goods, consultants’ services and the financing of Operating Costs necessitated for: (i) the preparation of tools and guidelines (technical, contractual, organizational, legal); (ii) the provision of
training of trainers; (iii) the organization of exchange of experience through study
tours and the delivery of cross learning events; and (iv) the facilitation of regional
thematic working groups on specific topics, including land tenure and integrated
water resources management.

Part B: Financing Irrigation Investment Solutions

1. National Level

Carrying out by the Recipient of a program aimed to design and implement
irrigation Solutions based on emerging best practices identified in the Participating
Countries, and encompassing:

(a) Preparation or update of bankable investment proposals, including the
carrying out of feasibility studies and assistance to mobilize funding for
Type 4 Irrigation Systems and Type 5 Irrigation Systems, through the
 provision of consultants’ services; and

(b) Design and implementation of irrigation Solutions for: (i) the
revitalization and/or modernization of existing schemes and the
construction of new schemes for Type 1 Irrigation Systems, Type 2
Irrigation Systems, and Type 3 Irrigation Systems; (ii) the rehabilitation of
Type 4 Irrigation Systems; and (iii) the construction of multipurpose
service and storage buildings and rehabilitation of access roads, all located
within the Project Intervention Areas, through the carrying out of studies
and construction works and the provision of the associated goods,
consultants’ services and training.

2. Regional Level

Carrying out by the CILSS of a program aimed to organize the exchange of
experience among the Participating Countries on the various Solutions with the
view to strengthen the capacity of stakeholders involved in the implementation of
Part B.1 of the Project, and encompassing the delivery of cross learning events
through the provision of consultants’ services, training and study tours.

Part C: Knowledge Management and Coordination

1. Regional Level

Carrying out by the CILSS of a program aimed: (i) to collect, produce, and
disseminate useful knowledge and allow irrigation stakeholders to communicate
with one another around Solutions; and (ii) to allow efficient coordination of the
Project’s activities, encompassing the provision of works, goods, non-consulting
services, consultants’ services, training and the financing of Operating Costs
required for:
(a) the development by the CILSS of an integrated information and knowledge management system including: (i) a cloud-based database to monitor the irrigation sector linked to existing data resources on, *inter alia*, land use, water resources, and climate and agricultural markets; (ii) data collection and dissemination tools using information and communications technology (*inter alia*, smartphone applications and other communication tools); (iii) targeted research activities focused on Solution implementation issues; and (iv) outreach activities for decision-makers, irrigation financiers, stakeholders and the general public with a view to showcasing Project results, mainstreaming and institutionalizing the Solutions, and pooling additional resources for investments in the sector; and

(b) the refurbishing of CILSS’ office premises, the strengthening of CILSS’ institutional and fiduciary capacity, and the carrying out by the CILSS of the Project management and coordination functions at the regional level, including for the fiduciary and safeguards aspects, monitoring and evaluation, the carrying out of audits, and the preparation of the Project, mid-term and Completion Reports.

2. **National Level**

Carrying out by the Recipient of a program to contribute to the knowledge management program under Part C.1(a) of the Project, encompassing the provision of goods, consultants’ services, training and the financing of Operating Costs required for:

(a) the collection of data and the implementation of research activities in the fields of information and communications technology, economic surveys, ex-post evaluation and other selected topics of national interest in the Recipient’s territory; and

(b) strengthening of the MAGEL for the Project management and coordination functions at the national level, including for the fiduciary and safeguards aspects, monitoring and evaluation, the carrying out of audits, and the preparation of the Project, mid-term and Completion Reports.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements and Implementation Modalities

1. National Level

(a) At the national level, the Recipient shall ensure the MAGEL, through the General Directorate of Civil Works, leads the implementation of the Project and carry out the overall coordination of the Project.

(b) The Recipient shall, through the MAGEL, maintain throughout Project implementation under terms of reference and with qualified and experienced staff in adequate number, all satisfactory to the Association, the National Steering Committee vested with the duties of a governing body responsible for policy guidance for the Project and oversight of the Project Management Unit during Project implementation. The National Steering Committee shall be chaired by the Minister of Agriculture and Livestock (or his/her designee) and its composition shall, at all times, be acceptable to the Association. The National Project Coordinator shall serve as the NSC’s secretary. The National Steering Committee shall meet at least twice each Fiscal Year to undertake, inter alia: (i) the review and approval of the draft AWP&B; (ii) the assessment of Project progress against the current AWP&B and the approval of the semi-annual Project Reports; and (iii) the validation of any modification or update to the PIM.

(c) The Recipient shall, through the MAGEL maintain, within its structure and throughout Project implementation, the Project Management Unit headed by the National Project Coordinator appointed by the Minister of Agriculture and Livestock and comprising a technical team with expertise on all relevant disciplines, all satisfactory to the Association and under terms of reference and with resources adequate for its mandate. To that end, the Recipient shall, not later than three (3) months after Effective Date, appoint an internal auditor, an accountant, a procurement specialist and an environmental and social safeguards specialist, all in a manner satisfactory to the Association. The PMU shall be responsible for: (i) day-to-day coordination of the Project and all aspects of management, procurement, environmental and social safeguards, monitoring, evaluation and reporting; (ii) the assessment of the impacts under the Project; and (iii) the consolidation of the AWP&Bs and reports from all contracted parties at the local level with a view to submit consolidated documents to the NSC. The Recipient shall ensure at all times the PMU promptly
conclude, as required, agreements with each concerned structure of the MAGEL or other relevant organizations, all satisfactory to the Association, to assist the PMU in such functions.

(d) The Recipient shall: (i) through the MAGEL and other concerned ministries, ensure the national directorates responsible, *inter alia*, for irrigation, extension services, environmental monitoring, conclude, as required, an agreement with the PMU, under terms of reference satisfactory to the Association, ensuring the retention of the national directorates for supervision of the their subnational offices in their respective fields of activities; and (ii) through the MAGEL, cause the PMU to conclude agreements with national professional bodies acceptable to the Association, whereby such bodies provide support services to their subnational offices.

2. **Subnational Level**

For the purposes of assisting the PMU in the coordination and implementation of the Project activities at the subnational level, the Recipient shall ensure the PMU conclude an agreement with the subnational offices of the MAGEL, of other concerned ministries and of subnational professional bodies, all acceptable to the Association, whereby the PMU secures oversight, monitoring and evaluation, and technical support in the Project Interventions Areas.

3. **Local Level: Consultants' Contracts and Subproject Financing Agreements**

The Recipient, through the MAGEL, shall cause the PMU to conclude in a timely manner and under terms and conditions satisfactory to the Association:

(a) Consultants' contracts with Operators to retain their services pursuant to the provisions of Section III of this Schedule for the implementation of Parts A.1 and B.1 of the Project in the Project Intervention Areas and thereby ensure the proper execution of such Parts of the Project at the community levels, and whereby the Operator undertakes: (i) to work closely with the communities to identify their specific activities' needs and execute them on their behalf; and (ii) to comply with its obligations under the contract with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social standards and practices satisfactory to the Association; and

(b) Subproject Financing Agreements with Beneficiaries to facilitate the carrying out of Part B.1 of the Project and whereby the PMU shall make a portion of the proceeds of the Financing available to the Beneficiaries in an efficient and timely manner and under a suitable legal, regulatory and administrative framework to ensure the Financing is used for the intended
purposes. To that end, for each Subproject proposed for financing under the Financing, the PMU shall conclude a Subproject Financing Agreement with a Beneficiary whereby the PMU shall:

(i) transfer a portion of the proceeds of the Financing allocated from time to time to Category (1) to the Beneficiary, on a non-reimbursable basis, for the purposes of carrying out a Subproject;

(ii) require the Beneficiary: (A) to carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, irrigation, managerial, environmental, pest management, social standards and practices satisfactory to the Association, including in accordance with the provisions of the ESMP, PMP, RAP and/or DSP, as the case may be, the Project Implementation Manual, and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Association; and (B) to provide, promptly as needed, the resources required for the purpose; and

(iii) obtain rights and specify the Beneficiary’s obligations adequate to protect the interests of the Recipient and those of the Association, including: (A) the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Financing or to obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Subproject Financing Agreement; (B) if applicable, the Beneficiary’s obligation to maintain policies and/or procedures adequate to enable it to monitor and evaluate in accordance with the Monitoring and Evaluation Indicators, the progress of Part B.1 of the Project and the achievement of its objectives; (C) the Beneficiary’s obligation: (1) if applicable, to 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) if applicable and at the Recipient’s or the Association’s request, to have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (D) the right to enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and (E) the Beneficiary’s obligation to 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.

The Recipient shall ensure the PMU exercise its rights and carry out its obligations under the Subproject Financing Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall ensure the PMU does not assign, amend, abrogate or waive the Subproject Financing Agreements or any of their provisions. Notwithstanding the foregoing, if any of the provisions of a Subproject Financing Agreement is inconsistent with the provisions of this Agreement or the Project Implementation Manual, the provisions of this Agreement and those of the Project Implementation Manual shall prevail and govern.

4. **Complaint Handling Mechanism**

The Recipient shall take all action required on its behalf to establish, not later than six (6) months after the Effective Date, and thereafter maintain and operate, a functional complaint handling mechanism for the Project, with adequate staffing and processes for registering complaints and acceptable to the Association, thereby ensuring the ongoing improvement on service delivery under the Project.

B. **Selection Process and Criteria for Implementation of Part B.1 of the Project:**

 **Subprojects**

In order to foster a demand-driven implementation of Part B.1 of the Project, activities thereunder shall be implemented pursuant to the provisions of the PIM and on the basis of Subprojects selected in accordance with the following process and criteria:

(a) Subprojects shall be identified and proposed for consideration by a Beneficiary on the basis of the activities to be undertaken under Part A.1 of the Project and/or on the basis of the Beneficiary's own initiative;

(b) Subprojects shall be selected on the fulfillment, to the satisfaction of the PMU, of the following criteria: (i) evidence has been submitted to the PMU which properly documents the existing land and water rights (pre-existing or defined under Part A.1 of the Project); (ii) the development of a sound business plan with clear market access strategy; (iii) the approved applicable ESMP, RAP and/or DSP, as the case may be, prepared in accordance with the provisions of the ESMF and/or RPF; and (iv) the execution of a contract stipulating the mandate of the Operator in the relevant Project Intervention Area with regard to the applicable Type of Irrigation System.
C. Safeguards

The Recipient, through the MAGEL, shall take all action necessary on its behalf:

(a) (i) to comply with the ESMF and the PMP and to carry out the ESIA and/or the ESMP, as the case may be, with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESMP and/or the PMP, as the case may be, are appropriately included in the works, goods, services and training contracts to be concluded under Parts A.1, B.1 and C.2 of the Project and that they are implemented in the carrying out of said Parts A.1, B.1 and C.2; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the ESMP and/or PMP, as the case may be, through the information to be prepared and furnished to the Recipient pursuant to the provisions of Section II.A of this Schedule;

(b) (i) to comply with the RPF and to carry out the RAP(s) with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the RAP(s) in the carrying out of Part B.1 of the Project; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the RAP(s) through the information to be prepared and furnished to the Recipient pursuant to the provisions of Section II.A of this Schedule;

(c) to comply with the Dam Safety Plan(s), as the case may be, and cause its provisions to be implemented with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the DSP(s) in the carrying out of Part B.1 of the Project; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the DSP(s) through the information to be prepared and furnished to the Recipient pursuant to the provisions of Section II.A of this Schedule; and

(d) to ensure that no works are commenced under a Subproject, until and unless: (i) the Recipient shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the Subproject meets the environmental, social, pest management and dam safety requirements, if applicable, of appropriate national and local authorities and that it complies with the review procedures set forth in the ESMF and/or RPF, as the case may be, and the provisions of the Project Implementation Manual; and (ii) if required, the Recipient shall have prepared and adopted: (A) the Dam Safety Plan to the satisfaction of the Association; and (B) the ESIA, ESMP and/or the RAP, as the case may
be, and the same documents have been consulted upon and disclosed as approved by the Association.

D. Safety of Dams

1. When a Subproject proposed for financing under the Financing shall rely on the performance of an existing dam in the Recipient's territory, including, *inter alia*, when it encompasses: (i) a water supply system which shall draw directly from a reservoir controlled by an existing dam; (ii) diversion dams or hydraulic structures located downstream from an existing dam, where failure of the upstream dam could cause extensive damage to, or failure of, the new structure financed under the Subproject; (iii) irrigation or water supply activities which shall depend on the storage and operation of an existing dam for their supply of water and which could not function if the dam failed; (iv) activities that shall require increases in the capacity of an existing dam, or changes in the characteristics of the impounded materials, where failure of the existing dam could cause extensive damage to, or failure of, the facilities financed under the Subproject, before proposing such Subproject for financing, if and as determined by the Association on a case by case basis, the Recipient shall:

(a) 

(i) arrange for one or more independent dam specialists: (A) to inspect and evaluate the safety status of the existing dam, its appurtenances, and its performance history; (B) to review and evaluate the dam owner's operation and maintenance procedures; and (C) to provide to the Association a written report of findings and recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam to an acceptable standard of safety; or

(ii) if the owner of the existing dam is an entity other than the Recipient, the Recipient shall enter into agreements or arrangements satisfactory to the Association providing for the measures set out in the preceding subparagraph (a)(i) to be undertaken by dam's owner; and

(b) prepare, as the case may be, a Dam Safety Plan comprising, *inter alia*, any additional dam safety measures and/or remedial work as identified by independent experts acceptable to the Association and any other measures that have been determined by the Association, including, as the case may be: (i) the preparation of terms of reference for a panel of dam experts; (ii) for high-hazard cases involving significant and complex remedial work, the employment of a panel of independent experts; and (iii) if a panel of independent experts has been required, convening panel meetings
periodically during Project implementation and retaining the said panel until the completion of any dam safety measures or remedial work.

2. For the purposes of the provisions of paragraph 1 of this Section D, the Association may accept previous assessments, studies and plans on the safety of a specific dam if the Recipient provides evidence that: (i) an effective dam safety program is already in operation; and (ii) that full-level inspections and dam safety assessments, which are satisfactory to the Association, have already been conducted and documented.

3. The Recipient shall, thereafter, take all action required on its behalf to ensure the PMU, as a previous requirement for the signing of a Subproject Financing Agreement in respect of a Subproject which relies on the performance of an existing dam, submits for the Association’s approval, the required Dam Safety Plan for the existing dam, and obtain the Association’s approval thereon.

E. Training

For the purposes of the training to be provided under Parts A.1, B.1 and C.2 of the Project and to be delivered through courses, study tours, workshops and conferences, the Recipient shall:

(a) furnish to the Association for its approval, not later than November 30 of each calendar year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and

(c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

F. Project Implementation Manual

The Recipient shall: (i) take all action required to carry out Parts A.1, B.1 and C.2 of the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and updates of the Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objectives of out Parts A.1, B.1 and C.2 of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Association’s prior
agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

G. Annual Work Plans and Budgets

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than November 30 in each calendar year, for the Association's consideration, an AWP&B setting forth the activities to be included under Parts A.1, B.1 and C.2 of the Project for the following calendar year, such AWP&B to include an implementation schedule and budget and financing plan therefor.

2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on such proposed AWP&B and, thereafter, shall implement the AWP&B with due diligence and efficiency as shall have been approved by the Association.

H. Financial Management Undertakings

The Recipient shall, through the MAGEL, ensure that the PMU: (i) not later than three (3) months after the Effective Date, install a computerized system acceptable to the Association to support the accounting under the Project and train its staff to effectively use said system; and (ii) not later than six (6) months after the Effective Date, recruit an external auditor, under terms of reference and with qualifications and experience satisfactory to the Association, to oversee the accounting functions of the PMU.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report for Parts A.1, B.1 and C.2 of the Project not later than one (1) month after the end of each calendar semester, covering the calendar semester.

B. Mid-Term Review

The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of Parts A.1, B.1 and C.2 of the Project and the achievement of the objectives thereof;
prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30, 2020, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Parts A.1, B.1 and C.2 of Project and the achievement of the objectives thereof during the period following such date; and

review with the Association, on or about December 31, 2020, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of Parts A.1, B1 and C.2 of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association’s views on the matter.

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: (i) Limited International Bidding; (ii) National Competitive Bidding, subject to the additional provisions and modifications set forth in the Annex to this Schedule 2; (iii) Shopping; (iv) Direct Contracting; (v) Procurement from United Nations Agencies; and (vi) 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: (i) Quality-based Selection; (ii) Selection under a Fixed Budget; (iii) Least Cost Selection; (iv) Selection based on Consultants’ Qualifications; (v) Single-source Selection of consulting firms; (vi) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (vii) Single-source procedures for the Selection of Individual Consultants; and (viii) Selection from United Nations Agencies.

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**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (i) finance Eligible Expenditures; and (ii) repay the Preparation Advance in the amount allocated and, if applicable, up to the percentage set forth against each category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Amount of the Credit Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be Financed inclusive of Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, goods (including equipment), non-consulting services, consultants’ services, Training and Operating Costs under Parts A.1, B.1 and C.2 of the Project</td>
<td>4,500,000</td>
<td>15,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td></td>
<td>500,000</td>
<td>Amount payable pursuant to Section 2.07(a) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,500,000</td>
<td>15,900,000</td>
<td></td>
</tr>
</tbody>
</table>

2. For the purposes of the table set forth in paragraph 1 above, the term “Training” means the expenditures incurred by the Recipient to finance the cost of: (i) delivering training courses to selected individuals for the purpose of developing their skills in implementing Solutions; (ii) technical assistance to be provided for other activities which contribute to the enhancement of the overall performance of the irrigation sector; and (iii) pedagogical materials and travel-related arrangements for both the trainers and trainees (including the costs for transportation, the visa request, accommodations, per diem and insurance), and which Training is hereby deemed an Eligible Expenditure for purposes of Section 2.05 of the General Conditions.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments made prior to the date of this Agreement.

4. The Closing Date is March 31, 2024.
ANNEX TO SCHEDULE 2

Additional Provisions Applicable to National Competitive Bidding

For the purposes of following National Competitive Bidding (“NCB”) procedures in the procurement of goods, works and non-consulting services to be financed under the Financing, the following modifications and additions shall apply:

(a) 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.

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

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

(d) 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.

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

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

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

(h) 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.
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 15 and August 15, commencing February 15, 2024, to and including August 15, 2055</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

Section I. Definitions

1. "Annual Work Plans and Budgets" or "AWP&Bs" means, each, collectively the annual work plans and budgets for the Project approved by the Association in accordance with the provisions of Section I.G of Schedule 2 to this Agreement, and "Annual Work Plan and Budget" or "AWP&B" means any of the Annual Work Plans and Budgets.


3. "Basis Adjustment to the Service Charge" means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

4. "Beneficiary" means a woman or man farmer, a commune, a farmers group, a cooperative, an association or another entity selected in accordance with the provisions of the Project Implementation Manual (as hereinafter defined) for the purposes of preparing and carrying out a Subproject (as hereinafter defined); and the term "Beneficiaries" means more than one Beneficiary, collectively and indistinctively.

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


7. "Dam Safety Plan" or "DSP" means, each, a safety plan for an existing dam on which one or more Subprojects (as hereinafter defined) rely upon, to be prepared by the Recipient pursuant the provisions of the ESMF (as hereinafter defined) and paragraph (d)(ii) of Section I.D.1 of Schedule 2 to this Agreement, and which includes, as applicable: (i) a plan for construction supervision and quality assurance encompassing the organization, staffing levels, procedures, equipment, and qualifications for supervision of the remedial work on the existing dam or a set of generic dam safety measures designed by qualified engineers to address potential adverse impacts; (ii) an operation and maintenance plan covering: (A) the organizational structure, staffing, technical expertise, and training required; (B) the
equipment and facilities needed to operate and maintain the dam; (C) the operation and maintenance procedures and the funding arrangements therefor (including long-term maintenance and safety inspections); and (iii) an emergency preparedness plan, as necessary, specifying the roles of responsible parties when dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels.

8. “Displaced Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.

9. “Environmental and Social Impact Assessment” or “ESIA” means, each, a site-specific report, to be prepared by the Recipient in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the Association, identifying and assessing the potential environmental and social impacts of the activities to be undertaken under the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

10. “Environmental and Social Management Framework” or “ESMF” means, each, the environmental and social management framework adopted by the Recipient on January 12, 2017, and disclosed in-country on January 12, 2017, and in the Association’s website on January 12, 2017, which: (i) sets forth the standards, methods and procedures specifying how activities under the Project whose location, number and scale are presently unknown shall systematically address environmental and social issues in the screening and categorization, siting, design, implementation and monitoring phases during Project implementation; (ii) systematizes the environmental and social impact assessments, be they limited impact assessments or full impact assessments, required for such activities before Project execution; and (iii) stipulates the procedures to be used for the preparation and approval of: (A) a site-specific Environmental and Social Impact Assessment and a site-specific Environmental and Social Management Plan (as hereinafter defined) for any site where there exists environmental and social issues of a type and scale sufficient to trigger safeguard concerns; and (B) a Dam Safety Plan to address the safety of a dam on which a Subproject (as hereinafter defined) may rely upon.

11. “Environmental and Social Management Plan” or “ESMP” means, each, a site-specific environmental and social management plan to be prepared by the Recipient in accordance with the parameters laid down in the ESMF and acceptable to the Association, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the
activities under the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

12. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.


14. “General Directorate of Civil Works” or “DGGR” means, each, the Recipient’s Direction Générale du Génie Rural within the MAGEL (as hereinafter defined).

15. “Ministry of Agriculture and Livestock” or “MAGEL” means, each, the Ministère de l’Agriculture et de l’Élevage, the Recipient’s ministry responsible for agriculture and livestock, or any successor thereto.

16. “Monitoring and Evaluation Indicators” means the agreed monitoring and evaluation indicators set forth in the Project Implementation Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Parts A.1, B.1 and C.2 of the Project and the degree to which the objectives thereof are being achieved.

17. “National Project Coordinator” means the coordinator appointed by the Recipient to head the PMU (as hereinafter defined).

18. “National Steering Committee” or “NSC” means, each, the governance body to be maintained by the Recipient pursuant to the provisions of paragraph (b) of Section I.A of Schedule 2 to this Agreement.

19. “Operating Costs” means incremental recurrent expenditures incurred by the Recipient on account of implementation of Parts A.1 and C.2 of the Project, and which consist of the costs of dissemination of Project related information, travel, lodging and per diem for field trips, vehicle rent, supplies and utilities, salaries of contractual staff (thus excluding civil servants on the Recipient’s payroll), mail, advertisement, translation, commercial bank charges, insurance, communication, office equipment and maintenance, hardware and software, and rent of premises, and which Operating Costs are hereby deemed an Eligible Expenditure for purposes of Section 2.05 of the General Conditions.

20. “Operator” means an individual, non-governmental organization, firm or legal entity selected in accordance with the provisions of the Project Implementation
Manual (as hereinafter defined) to assist a Beneficiary in the preparation and carrying out of a Subproject (as hereinafter defined).

21. "Participating Countries" means, collectively and indistinctively, the Participating Countries, being the Recipient, Burkina Faso, Chad, Mali, Mauritania and Senegal, and "Participating Country" means individually each and any of the Participating Countries.

22. "Permanent Interstate Committee for Drought Control in the Sahel" or "CILSS", means, each, the Comité Permanent Inter-États de Lutte Contre la Sècheresse dans le Sahel, an intergovernmental organization consisting of countries in the Sahel region and whose mandate is to invest in research for food security and the fight against the effects of drought and desertification for a new ecological balance in the Sahel, as such organization has been established and is operating pursuant to the Convention portant création du Comité Permanent Inter-États de lutte contre la sècheresse dans le Sahel, dated September 12, 1973, and revised on April 22, 1994.

23. "Pest and Management Plan" or "PMP" means, each, the pest management plan adopted by the Recipient on January 12, 2017, and disclosed in-country on January 12, 2017, and in the Association's website on January 12, 2017, setting forth the mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under the Project to promote and support safe, effective, and environmentally sound pest management aimed at controlling primarily the use of pesticides for agriculture purposes.

24. "Preparation Advance" means the advance No. V0180 referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on April 12, 2016.


26. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated March 20, 2017, 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.

27. "Project Implementation Manual" or "PIM" means, each, the manual to be adopted by the Recipient for the purposes of defining the detailed implementation arrangements for the Project, and including: (i) the operational manual describing the Project activities and implementation arrangements; (ii) the procurement manual; (iii) the financial management manual; (iv) the monitoring and evaluation
manual; and (v) the complaint handling mechanism manual, as the same may be amended from time to time with the agreement of the Association.

28. "Project Intervention Area" means a geographic area where a Subproject (as hereinafter defined) may be carried out, and which area: (i) has been identified and included as such in the Annual Work Plan and Budget; (ii) has been pre-selected by the Recipient for carrying out Project activities on the basis, inter alia, of its development potential, and approved by the Association for inclusion under the Project.

29. "Project Management Unit" or "PMU" means, each, the unit vested with the responsibility for Project implementation pursuant to the provisions of paragraph 1(c) of Section I.A of Schedule 2 to this Agreement.

30. "Resettlement" means: (i) the involuntary (i.e., an action that may be taken without a person's informed consent or power of choice) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons, and encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those who continue living inside the park or protected area during and after Project implementation.

31. "Resettlement Action Plan" or "RAP" means a site-specific resettlement and rehabilitation action plan to be prepared in accordance with the parameters laid down in the RPF (as hereinafter defined), acceptable to the Association, and to be developed by the Recipient for the Displaced Persons located permanently or temporarily in a Project Intervention Area which involves Resettlement, and covering the following: (i) a baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of Resettlement sites and programs for improvement or restoration of livelihoods and standards of living; an implementation schedule for Resettlement activities; and detailed cost estimate; (ii) measures designed to ensure that the Displaced Persons: (A) are informed about their options and rights pertaining to Resettlement, consulted on, offered choices among, and provided with technically and economically feasible Resettlement alternatives; and (B) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (iii) if the impacts include physical relocation, that the displaced persons are: (A) provided assistance (such as moving allowances) during relocation; (B) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational
advantages, and other factors is at least equivalent to the advantages of the old site; and (C) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; (iv) affordable and accessible grievance procedures, taking into account the availability of judicial recourse and community and traditional dispute settlement mechanisms; and (v) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.


33. “Sahel” means the eco climatic and biogeographic zone of transition in Africa between the Sahara to the north and the Sudanian Savanna to the south.

34. “Signature Date” means the means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.

35. “Solution” means a process which combines: (i) institutional models and organizational arrangements for the development and management of the irrigation system; (ii) financing mechanisms for the development and management of the irrigation system using an appropriate mix of public expenditure, equity, fees, in-kind contributions, smart subsidies, credit and guarantees; (iii) sound selection and design of adapted technologies and related infrastructures, with appropriate quality control mechanisms, and (iv) skilled and empowered stakeholders able to implement the various components of the process in a coordinated manner.

36. “Subproject” means a specific development project, selected in accordance with the provisions of Section A.B of Schedule 2 to this Agreement, which is proposed to be carried out by a Beneficiary under Part B.1 of the Project.

37. “Subproject Financing Agreement” means an agreement to be concluded between the PMU and a Beneficiary, and referred to in paragraph 3(b) of Section A.I of Schedule 2 to this Agreement: (i) pursuant to which the PMU shall make a portion of the proceeds of the Financing available to a Beneficiary for the purpose of carrying out a Subproject; and (ii) stipulating the management and performance obligation of the Beneficiary for irrigated agriculture and its contribution to the investment.
38. "Type of Irrigation System" means a typology of irrigation schemes which reflects one of the five main business lines that structure the irrigation sector in the Sahel region.

39. "Type 1 Irrigation System" means the Type of Irrigation System which comprises rainwater harvesting in lowland areas, including inner valleys (bas-fonds) and flood recession plains, based on partial water control using the following infrastructure: (i) small embankments; (ii) gated structures; and (iii) access structures.

40. "Type 2 Irrigation System" means the Type of Irrigation System which comprises small-scale private irrigation systems for individuals or small groups of producers using pumping equipment and water distribution by various types of canals or pipes.

41. "Type 3 Irrigation System" means the Type of Irrigation System which comprises small-scale community based irrigation for villages or large groups of producers organized in users’ organization using pumping equipment and water distribution by various types of canals or pipes as well as access roads and related structures.

42. "Type 4 Irrigation System" means the Type of Irrigation System which comprises large-scale public irrigation schemes managed by public authorities, usually supplied from large rivers regulated by dams, involving a combination of pump stations, gated structures, large canal and drainage systems, service roads and a complex governance structure using users’ organizations.

43. "Type 5 Irrigation System" means the Type of Irrigation System which comprises medium to large scale irrigation schemes involving a partnership between the government, a private party and the communities surrounding the scheme for the development and management of the irrigation system, and including the same technical features as those of the Type 4 Irrigation System.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.

2. Paragraphs 86 (Procurement Plan) and 87 (Procurement Regulations) of the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.