H. E. Mamane Malam Annou
Minister of Economy and Finance
Ministry of Economy and Finance
Niamey, Republic of Niger

Re: SCF-PPCR Grant No. TF098930
Preparation Grant for the Community Action Project for Climate Resilience

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Niger ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing entity of the Pilot Program for Climate Resilience (PPCR) under the Strategic Climate Fund ("SCF"), proposes to extend to the Recipient a grant in an amount not to exceed six hundred forty nine thousand five hundred United States Dollars (US$ 649,500) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned
copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Acting as an Implementing Entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund

By
//s// Katrina M. Sharkey
Acting Country Director for Niger
Africa Region

AGREED:
REPUBLIC OF NIGER

By __//s// Manane Malam Annou__
Authorized Representative

Name __Manane Malam Annou__

Title __Minister of Economy and Finance__

Date: ___April 14, 2011__________

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006
(4) Guidelines : “Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011
(5) Guidelines on “Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011
Article I

Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

   (a) “CAPCR” means the proposed Community Action Project for Climate Resilience to be presented to the World Bank’s Management for approval in October 2011.

   (b) “CAP National Coordination Unit” means the Recipient’s national coordination unit established by decision (arrêté) no. 115/MDA/CAB of July 25, 2003 in the Recipient’s Ministry of Agriculture Development, and referred to in Section 2.02 of this Annex.

   (c) “SPCR” means the Recipient’s Strategic Program for Climate Resilience approved by the PPCR sub-committee on November 10, 2010.

Article II

Project Execution

2.01. Project Objectives and Description. The objective of the Project is to prepare the proposed Community Action Project for Climate Resilience (CAPCR) and set up the necessary actions for the coordination of the Strategic Program for Climate Resilience (SPCR) in the Recipient’s territory.

   The Project consists of the following parts:

Part 1. Technical Preparations

Carrying out a program of activities including: (i) a socio-economic baseline study; (ii) an inventory of infrastructure and institutional audits for safety net pilots; (iii) the elaboration of a framework for environmental and social management; and (iv) the preparation of a communication strategy and action plan.

Part 2. Operational Operations

Carrying out a program of activities including: (i) the elaboration of the Project’s operational manual; and (ii) the elaboration of the manual of procedures for the Project; (iii) the development of an
integrated monitoring and evaluation system incorporating climate resilience specific indicators; and (iv) the establishment of a financial management system.
Part 3. Workshops and Training

Carrying out of: (a) consultation workshops to validate the zones of interventions; (b) preliminary communication workshops with participating communities; (c) training activities including: (i) short-term training on micro insurance for key CAPCR personnel; (ii) training on strategic and operational planning, procurement and financial management, monitoring and evaluation, particularly for the PPCR program.

Part 4. Strategic Coordination of SPCR

Establishing a strategic coordination unit within the Recipient’s Ministry responsible for finance including experts in strategic planning and coordination, monitoring and evaluation, and climate change.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the CAP National Coordination Unit, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.04. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.05. **Procurement**

(a) **General.** All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, for those contracts specified in the Procurement Plan: (A) Shopping; (B) Direct Contracting; and (C) Established Private or Commercial Practices which have been found acceptable to the World Bank.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments 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; (F) Established Private or Commercial Practices which have been found acceptable to the World Bank; (G) Selection of Service Delivery Contractors which have been found acceptable to the World Bank; (H) Selection of Individual Consultants; and (I) Sole Source Procedures for the Selection of Individual Consultants.
(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III**  
**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and consultants’ services, Training and Operations Costs</td>
<td>649,500</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>649,500</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this Section,

“Training” means the training of persons involved in Project-supported Activities, including seminars, workshops, conference and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs of securing the services of trainers, rental of training facilities, preparation and reproduction of training materials and other costs directly related to course preparation and implementation; and

“Operating Costs” means the reasonable incremental operating expenses incurred by CAP National Coordination Unit on account of the Project preparation implementation, management and monitoring including on account of operation and maintenance costs of office and office equipment; office supplies, additional staff costs, travel and supervision costs, per diem, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2012.

**Article IV**  
**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s Minister responsible for finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Economy and Finance  
B.P. 389  
Niamey  
Republic of Niger

Facsimile:

(+ 227) 20 73 59 34

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145  
Facsimile: 1-202-477-6391 (MCI)