Financing Agreement

(Additional Financing for
the Community Action Program Support Project – Avian Flu)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 12, 2008
FINANCING AGREEMENT

AGREEMENT dated February 12, 2008, entered into between the REPUBLIC OF NIGER (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions 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 grant in an amount equivalent to two million nine hundred thousand Special Drawing Rights (SDR 2,900,000) (“Financing”) to assist in financing Part F of the project described in Schedule 1 to this Agreement (Parts A to F of the project described in Schedule 1 to this Agreement are herein collectively referred to as the “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 Payment Dates are March 1 and September 1 in each year.

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

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

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:

(a) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has recruited and signed under contract an accountant for the NCU with terms of reference, qualifications and experience satisfactory to the Association.

(b) The Recipient has updated the Project Implementation Manual in a manner satisfactory to the Association, including, inter alia, by: (i) including the list of performance indicators for Part F of the Project, and (ii) reflecting the Recipient’s commitments set out in Section I, paragraph C (2) of Schedule 2 to this Agreement related to environmental and social safeguards, and in Section III, paragraph D (3) of Schedule 2 to this Agreement related to the Association’s prior review of draft bidding documents and contacts for the completion of works.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient’s Address is:

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

Facsimile:
+227 20 73 59 34

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 248423 (MCI) +1 202 477 6391
Washington, D.C.
AGREED at Niamey, Niger, as of the day and year first above written.

REPUBLIC OF NIGER

By /s/ Ali M. Lamine Zeine

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ousmane Diagana

Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are the objectives of the Original Project.

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

Part F: Highly Pathogenic Avian Influenza

1. Provision of support to the Recipient’s veterinary services with respect to highly pathogenic avian influenza, including:
   (i) Enhancing prevention and preparedness capacity;
   (ii) Strengthening disease surveillance and diagnostic capacity; and
   (iii) Strengthening control programs and outbreak containment plans.

2. Provision of support to the Recipient’s human health services with respect to highly pathogenic avian influenza, including:
   (i) Strengthening national public health surveillance systems; (ii) and
   Strengthening health system response capacity.

3. Improving public awareness and communications on highly pathogenic avian influenza, including: (i) Supporting information and communications activities; and (ii) Improving collaboration with the Recipient’s partners and stakeholders, in relation to highly pathogenic avian influenza.

4. Strengthening monitoring and evaluation of highly pathogenic avian influenza related activities, including with respect to environmental and social matters.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, throughout the implementation of the Project, maintain the same implementation and coordination arrangements as those for the Original Project, except for the following:

The NCU shall be responsible for fiduciary aspects of Part F of the Project, including Project accounting, financial reporting, disbursements, procurement and auditing arrangements.

The Directorate of Animal Health, the General Directorate of Public Health, and the General Directorate of Environment, Water and Forest, under the coordination of the Permanent Unit (PU), shall be responsible for the technical aspects of the implementation of Part F of the Project.

Once recruited by the Recipient in accordance with the terms of Schedule 2, Section V, paragraph D hereof, the Recipient shall maintain in the NCU the specialist of the fight against avian flu there mentioned, who shall oversee the implementation of the activities of Part F of the Project by the PU and act as an interface between the Project and the PU.

B. Anti-Corruption

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

C. Safeguards

1. The Recipient shall ensure that Part F of the Project is implemented in accordance with the provisions of the Additional Environmental Management Plan and the Resettlement Policy Framework and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.
2. The Recipient shall ensure that:

   (i) the completion of any Works be subject to: (A) the prior analysis by the Recipient of their potential impact on the environment and the population, and of the measures likely to prevent or mitigate their negative impacts, in form, substance and scope satisfactory to the Association, and (B) prior consultations of stakeholders by the Recipient, in number, form and scope satisfactory to the Association; and

   (ii) the bidding documents and the contracts for the completion of any Works include provisions satisfactory to the Association in order to prevent or, as the case may be, mitigate any potential negative impacts of such Works on the environment and the population.

D. Project Implementation Manual

The Recipient shall ensure that Part F of the Project is implemented in accordance with the provisions of the Project Implementation Manual as updated pursuant to Section 5.01(b) hereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and for the Original Project on the basis of the indicators set forth in Schedule 6 of the Original Financing Agreement and for Part F of the Project on the basis of the indicators set forth in detail in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of Part F of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than December 31, 2010.
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 45 days after the end of each calendar quarter, interim unaudited financial reports for 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 fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. Works and Goods. All works and goods required for Part F 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 Part F 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Works and Goods

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, works and goods required for Part F of the Project shall be
procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Works and Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for works and goods required for Part F of the Project. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) <strong>Limited International Bidding</strong></td>
</tr>
<tr>
<td>(b) <strong>National Competitive Bidding</strong></td>
</tr>
<tr>
<td>(c) <strong>Shopping Procedures</strong></td>
</tr>
<tr>
<td>(d) <strong>Direct contracting</strong></td>
</tr>
<tr>
<td>(e) <strong>Procurement from United Nations Agencies</strong></td>
</tr>
<tr>
<td>(f) <strong>Community Participation</strong></td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services required for Part F of the Project shall be procured under contracts awarded on the basis of Quality and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for consulting services estimated to cost less than $100,000 equivalent, per contract, may comprise entirely national consultants.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services required for Part F of the Project. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) <strong>Least Cost Selection</strong></td>
</tr>
<tr>
<td>(b) <strong>Selection based on Consultants’ qualifications</strong></td>
</tr>
<tr>
<td>(c) <strong>Selection Under a fixed budget</strong></td>
</tr>
<tr>
<td>(d) <strong>Quality Based Selection</strong></td>
</tr>
<tr>
<td>(e) <strong>Single Source Selection</strong></td>
</tr>
<tr>
<td>(f) <strong>Individual Consultants</strong></td>
</tr>
</tbody>
</table>
D. Review by the Association of Procurement Decisions

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts required for Part F of the Project shall be subject to Prior Review by the Association: (a) each contract for works estimated to cost the equivalent of US$500,000 or more; (b) each contract for goods estimated to cost the equivalent of US$200,000 or more; (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of US$100,000 or more; (d) each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of US$50,000 or more; (e) each contract for consultants’ services procured on the basis of Single Source Selection; and (f) the terms of reference for each contract for consultants’ services estimated to cost the equivalent of US$5,000 or more.

2. All Training activities will be carried out on the basis of annual programs (identifying the general framework of the Training activities for the year, including: (i) the type of training or workshop; (ii) the personnel to be trained; (iii) the selection methods of institutions or individuals conducting the Training; (iv) the institution or the individuals which will conduct the Training; (v) the duration of the proposed Training; and (vi) the outcome and impact of the Training) submitted annually for the prior approval of the Association.

3. Each bidding documents and each contract for the completion of works, will be subject to Prior Review by the Association, in order to verify, inter alia, that the Recipient’s commitments set out in Section I, paragraph C (2) of Schedule 2 to this Agreement have been complied with in a manner satisfactory to the Association.

4. 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 II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, goods, and consultants’ services, including audits and Training, for Part F of the Project</td>
<td>2,000,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(2) Operating costs for Part F of the Project</td>
<td>470,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(3) Preparatory Consultants’ Services</td>
<td>20,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(4) Compensation Fund</td>
<td>300,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(5) Unallocated for Part F of the Project</td>
<td>110,000</td>
<td>100 %</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,900,000</strong></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 for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $30,000 equivalent may be made for payments made prior to this date but on or after June 1, 2007, for Eligible Expenditures under Category (3).

2. No withdrawal shall be made under Category (4) until the Recipient shall have adopted guidelines and procedures related to the culling of poultry, and the payment of related compensation to eligible poultry owners, in form and substance satisfactory to the Association.

3. The Closing Date is June 30, 2010.

Section V. Other Undertakings

A. No later than one month after the Effective Date, or such later date as may be agreed in writing between the Recipient and the Association, the Recipient shall have updated the Project’s financial management and accounting system (including its computerized information system and the Project manual of financial, accounting and administrative procedures) to suitably take account of Part F of the Project in a manner satisfactory to the Association.

B. No later than one month after the Effective Date, or such later date as may be agreed in writing between the Recipient and the Association, the Recipient shall: (i) have adopted guidelines and procedures related to the culling of poultry, and the payment of related compensation to eligible poultry owners, in form and substance satisfactory to the Association; and (ii) reflected such adopted guidelines and procedures in the Project Implementation Manual.

C. No later that forty-five days after the Effective Date, or such later date as may be agreed in writing between the Recipient and the Association, the Recipient shall have amended the terms of reference of the independent auditor for the Project in form and substance satisfactory to the Association.

D. No later than forty five days after the Effective Date, or such later date as may be agreed in writing between the Recipient and the Association, the Recipient shall have recruited and signed under contract a specialist of the fight against avian flu for the NCU with terms of reference, qualifications and experience satisfactory to the Association.
E. No later than two months after the Effective Date, or such later date as may be agreed in writing between the Recipient and the Association: (i) the Recipient shall have conducted the performance indicators baseline data survey for Part F of the Project, on the basis of terms of reference and in scope satisfactory to the Association; (ii) the Recipient and the Association shall have agreed on the target values to be reached at the main milestones of the implementation and at completion of Part F of the Project; and (iii) the Recipient shall have reflected such base line and target values in the Project Implementation Manual.
APPENDIX

Section I. Definitions

1. “Additional Environmental Management Plan” means the document entitled “Plan de Gestion Environnementale, Programme d’Actions Communautaires, Composante Lutte Contre la Grippe Aviaire et d’Alerte et de Réaction contre la Pandémie Humaine” prepared by Dr. Djibril Doucouré with the participation of Dr. Bangana Ibrahim and Idi Yacouba at the request of the Recipient and dated August 2007.


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

4. “Compensation Fund” means the funds for the compensation of the losses incurred by farmers further to a culling of their poultry as part of the fight against avian flu, paid in accordance with the procedures and modalities described in the Project Implementation Manual.


7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).


10. “Ministry of Agricultural Development” or “MAD” means the Recipient’s Ministère du Développement Agricole or any successor thereto.

11. “Ministry of Animal Resources” means the Recipient’s Ministère des Ressources Animales or any successor thereto.


14. “NCU” means the National Coordination Unit defined in the Original Financing Agreement.

15. “Operating Costs” means the incremental expenses defined in Section 2(c) of Schedule 1 of the Original Financing Agreement.


17. “Original Project” means the Project described in the Original Financing Agreement.

18. “Permanent Unit” or “PU” means the Recipient’s unit entitled “Cellule permanente” established by note de service no. 66 from the Ministry of Public Health dated February 23, 2006 within the Recipient’s National Committee to Fight Avian Flu established by arrêté no. 077/MRA/SG dated November 23, 2006, and referred to in Section I (A) of Schedule 2 of this Agreement.

19. “Preparatory Consultants’ Services” means eligible Consultants’ Services procured for the preparation of Part F of the Project, including Consultants’ Services for the preparation of the Additional Environmental Management Plan, Consultants’ Services for the revision of the Project Implementation Manual, and Consultants’ Services for the revision of the Project’s financial management and accounting system.

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 9, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. “Program” means the Recipient’s National Emergency Plan for Prevention, Preparedness and Control of Avian Influenza, adopted by decree no. 2007-493/PRN/MRA dated November 1, 2007, as may be amended from time to time by the Recipient in form and substance satisfactory to the Association.

23. “Project Implementation Manual” means the Project Implementation Manual for the Project as it is defined in the Original Financing Agreement and has been updated from time to time by the Recipient with the prior approval of the Association.


25. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, 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.

26. “Works” means the light rehabilitation and refurbishment works of existing buildings eligible for a financing from the proceeds of the Financing, as part of the activities in Part F of the Project, excluding works for the construction of new buildings.