Financing Agreement

(Additional Financing for Adaptive Social Safety Nets Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 15, 2016
GRANT NUMBER D113-NE

FINANCING AGREEMENT

AGREEMENT dated April 15, 2016, entered into between REPUBLIC OF NIGER (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions 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 sixteen million three hundred thousand Special Drawing Rights (SDR 16,300,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

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

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

2.04. The Payment Dates are January 15 and July 15 in each year.

2.05. The Payment Currency is 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 the Project through the Safety Nets Unit in accordance with the provisions of Article IV of the General Conditions.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

4.01. The Additional Condition of Effectiveness consists of the following, namely that the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

4.03. 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 (20) years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient’s Representative is its minister responsible for economy and finance.

5.02. The Recipient’s Address is:

Ministère de l’Economie et des Finances  
B.P. 389  
Niamey  
Republic of Niger

5.03. The Association’s Address is:

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

Telex: Facsimile:  
248423 (MCI) 1-202-477-6391
AGREED at District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF NIGER

By

______________________________
Authorized Representative

Name: H.E. Saïdou Sidibé
Title: Minister, Economy & Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

______________________________
Authorized Representative

Name: Paul Noumba Um
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to establish and support an effective and adaptive safety nets system that will increase access of poor and vulnerable people to Cash Transfer and Cash for Work programs.

The Project consists of the following parts:

**Part 1. Building an Adaptive and Scalable Safety Net System**

1.1 Strengthening the functioning of the Safety Net System by: (i) improving the capacity of the system for more efficient and timely identification, targeting, registration and payment of beneficiaries; (ii) supporting the use of electronic identification cards for cash payments; (iii) developing new modules to include the accompanying measures on resilience in the Management Information System; (iv) supporting the design and implementation of a Unified Social Registry; and (v) supporting the recruitment, salary and deployment of field operators for the implementation of Part 2 of the Project in the New Regions.

1.2 Building national capacity to coordinate safety net interventions and respond more effectively to crisis by strengthening the Recipient’s capacity to better monitor and coordinate safety net interventions and ensuring the scalability of the Safety Net System, through:

   (a) the provisioning of support to: (i) monitor recent, ongoing, and planned interventions; (ii) mobilize resources; and (iii) gather and disseminate up to date information on vulnerability and shocks; and

   (b) ensuring the scalability of the Safety Net System by: (i) establishing an institutional framework for disaster risk financing, including establishment of a triggering mechanism and decision-making framework to initiate a scale up in response to shocks; (ii) presenting the information that is required by policy-makers to drive decisions about costs of alternative scenarios; (iii) providing material support, training, technical assistance to contribute to the institutional reform needed to improve coordination, accountability and decision making within the DNPGCCA; and (iv) supporting policy dialogue (including providing technical assistance, financing learning events and communication activities) to promote adaptive social protection.

1.3 Establishing mechanisms to monitor and evaluate interventions to promote resilience by supporting: (i) impact evaluations; (ii) provision of training, workshops, and equipment; and recruitment of consultants to develop and
administer surveys, monitor the CFW program interventions, and review and analyze data collected.

Part 2. Cash Transfers and accompanying measures

2.1 Provision of Cash Transfers to Eligible Beneficiaries.

2.2 Implementation of accompanying measures to the payment of Cash Transfers under Part 2.1 of the Project to: (i) encourage investment in income generating and productive activities; and (ii) encourage the promotion of practices that are geared toward stimulating early childhood development, better health, sanitation, and nutrition outcomes, and promote resilience, including information and communication campaigns.

2.3 Provision of Disaster Risk Cash Transfers to Eligible Beneficiaries in response to shocks.

Part 3. Cash for Work for resilience

3.1 Carrying out of Cash for Work Micro-projects as part of a Cash for Work program, including provision of technical support through the recruitment of experts, the provision of tools and the payment of wages to workers.

3.2 Implementation of accompanying measures to the Cash for Work program under Part 3.1 of the Project to contribute to the sustainability of the activities undertaken under Cash for Work program and maximize their impact on resilience.

Part 4. Project Management

Provision of technical assistance and financial resources to the Safety Net Unit for: (a) management of the Project, including setting up an implementation unit in Niamey and operational and liaison offices for the Project and recruitment of technical and fiduciary staff; and (b) carrying out activities to improve accountability and transparency in the use of Project proceeds including: (i) field-based sampling verifications/spot checks; (ii) supervision; and (iii) audits.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain the following institutional arrangements, further described in the Project Implementation Manual, throughout the implementation of the Project:

1. The Steering Committee shall have the overall oversight of the Project and shall ensure coordination between the various Project stakeholders.

2. The Project Management Unit, with the support of the regional offices of the CFS, shall be responsible for implementation of the Project, including financial management, procurement, disbursement, reporting, monitoring and evaluation.

3. (a) The Recipient shall ensure that personnel in adequate numbers, each with terms of reference, qualifications and experience satisfactory to the Association, are assigned to the Project.

   (b) Without limitation to the provisions of paragraph (a) immediately above, the Recipient shall maintain a Cash Transfer manager, a Cash for Work manager, an accompanying measures manager, an internal auditor and a monitoring and evaluation officer.

   (c) Without limitation to the provisions of paragraph (a) immediately above, the CFS shall include a coordinator, an administrative and financial officer, a procurement officer, a Cash Transfer manager, a Cash for Work manager, an accompanying measures manager, an internal auditor and a monitoring and evaluation officer, each with terms of reference, qualifications and experience satisfactory to the Association and selected in accordance with the provisions of Section III of this Schedule.

B. Contractual Arrangements

1. Cash Transfers

   (a) For the implementation of Part 2.1 of the Project, the Recipient shall provide Cash Transfers and for the implementation of Part 2.3 of the Project, the Recipient shall provide Disaster Risk Cash Transfers to Eligible Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, and described in the Project

(b) The Recipient shall contract the services of targeting firms, as needed, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement for the purpose of, inter alia, targeting and registering households eligible for the payment of Cash Transfers or Disaster Risk Cash Transfers (each an “Eligible Beneficiary”) on the basis of targeting and eligibility criteria detailed in the Project Implementation Manual or the Disaster Risk Manual, as applicable.

(c) The Recipient shall ensure that the amount of each Cash Transfer or Disaster Risk Cash Transfer is paid to its intended Eligible Beneficiary, and shall take measures to encourage the Eligible Beneficiaries to participate in the accompanying measures carried out under Part 2.2 of the Project.

(d) (i) For the payment of Cash Transfers or Disaster Risk Cash Transfers to Eligible Beneficiaries, the Recipient shall conclude and thereafter implement, one or more service agreements (each a “Payment Agreement”), in form and substance satisfactory to the Association, with a mobile telephone company, a microfinance institution, or another entity having the capacity to provide the services and comply with the obligations described into the Payment Agreement, duly authorized to operate and operating in the Recipient’s territory (each a “Payment Service Provider”) selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement. The Recipient shall ensure that the first Payment Agreement with a Payment Service Provider is submitted to the Association for its prior review and approval.

(ii) Without limitation to the provisions of sub-paragraph (i) immediately above, each Payment Agreement for the payment of Cash Transfers or Disaster Risk Cash Transfers shall include provisions to the effect that:

(A) unless the Association shall otherwise agree in writing, (AA) the Recipient shall: (AAA) ensure that the Payment Service Provider shall open and thereafter maintain for a term equal to the term of the Payment Agreement plus two years a separate account (each a “Cash Account”) for the exclusive purpose of depositing funds for payments to be
paid by the Payment Service Provider to Eligible Beneficiaries on behalf of the Recipient; and (BBB) deposit funds in said Cash Account in accordance with the provisions of the Payment Agreement. The Cash Account shall be opened in a commercial bank acceptable to the Association, with terms and conditions satisfactory to the Association including, inter alia, a waiver of any rights said commercial bank may have to set off any amount deposited in the Cash Account with any other debt; and (BB) the Payment Service Provider shall: (AAA) disburse funds from the Cash Account for payments in accordance with the provisions of the Payment Agreement; and (BBB) ensure that all amounts deposited in the Cash Account are used exclusively to make payments to Eligible Beneficiaries in accordance with the detailed provisions, procedures, sequencing and timing in relation thereto as set forth in the Project Implementation Manual and the Manual of Administrative, Financial and Accounting Procedures, and the Disaster Risk Manual, as applicable, and in compliance with the Anti-corruption Guidelines; and (CCC) promptly refund to the Recipient for further refund to the Association any proceeds from the Cash Account not used for purposes of payment to Eligible Beneficiaries in accordance with the provisions of the Payment Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement; and

(B) the Payment Service Provider shall (AA) keep records and accounts of the expenditures incurred in the payments to Eligible Beneficiaries; (BB) promptly inform the Recipient of any condition which interferes or threatens to interfere with the payments to Eligible Beneficiaries and the achievement of the objective of the Project; (CC) enable the Recipient and the Association to inspect its operations, including the payments, the Cash Account, and any relevant records and documents; and (DD) if the Association or the Recipient so requests, open access to its records and accounts of expenditures to any auditor that the Recipient shall have recruited, on the basis terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement, for the carrying out of the audit of said records and accounts of expenditures.
(iii) The Recipient shall exercise its rights under each Payment Agreement for Cash Transfers or Disaster Risk Cash Transfers 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 not assign, amend, abrogate or waive any Payment Agreement for the payment of Cash Transfers or Disaster Risk Cash Transfers or any of its provisions.

(e) The Recipient shall ensure that any payments for Cash Transfers activities under Parts 2.1 and 2.3 of the Project are made available under terms and conditions further described in the Project Manuals which shall include, inter alia: (i) the targeting of the relevant Eligible Beneficiaries entitled to a Cash Transfer or Disaster Risk Cash Transfers to be financed from said funds, in accordance with Section I.B.1(b) of this Schedule; (ii); (ii) opening a Cash Account in accordance with Section I.B.1(d)(ii) of this Schedule; and (iii) maintaining the grievance mechanism in accordance with Section I.B.4 of this Schedule as established under the Original Project.

2. Accompanying Measures

(a) For the implementation of the accompanying measures under Parts 2.2 and 3.2 of the Project, the Recipient shall enter into agreements, with non-governmental organizations or contractors selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement (each an “Accompanying Entity”).

(b) The Recipient shall exercise its rights under each of the agreements referred to in paragraph (a) immediately above 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 not assign, amend, abrogate or waive any of said agreements or any provisions thereof.

(c) The Recipient shall make payments available for activities under Parts 2.2 and 3.2 of the Project pursuant to the Payment Agreement and in accordance with Section I.B.1 of Schedule 2 to this Agreement.

3. Cash for Work Program

(a) For the implementation of the cash for work program under Part 3 of the Project, the Recipient shall enter into agreements (each a “Cash for Work Agreement”), on the basis of the model agreement attached to the Project
Implementation Manual, with non-governmental organizations selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement (each a “Cash for Work Provider”).

(b) The Recipient shall obtain rights adequate to protect the interests of the Recipient and the Association, including the right to require the Cash for Work Provider to:

(i) carry out its activities under the Part 3.1 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, the Project Implementation Manual, the Manual of Administrative, Financial and Accounting Procedures and the Safeguard Documents;

(ii) maintain policies and procedures, adequate to enable the Cash for Work Provider to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities carried out under Part 3.1 of the Project and the achievement of its objectives;

(iii) (A) 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 activities carried out under Part 3.1 of the Project; and (B) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and furnish promptly to the Recipient and the Association the financial statements as so audited;

(iv) for the purpose of implementing Part 3 of the Project, *inter alia*, prepare and submit technical proposals for the implementation of Cash for Work activities, carry out information and communication campaigns on the Cash for Work activities, select and enroll workers in accordance with the Project Implementation Manual to participate in the Cash for Work activities (each an
"Eligible Cash for Work Beneficiary"), organize and supervise the implementation of the Cash for Work activities, and assist the Payment Service Provider in the payment of the Eligible Cash for Work Beneficiaries, as further described in the Manual of Administrative, Financial and Accounting Procedures or the Project Implementation Manual; and

(v) enable the Recipient and the Association to inspect the activities carried out under Part 3.1 of the Project, their operation and any relevant records and documents; and 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.

(c) The Recipient shall exercise its rights under the Cash for Work Agreement 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 not assign, amend, abrogate or waive the Cash for Work Agreement or any of its provisions.

(d) (i) For the payment of Eligible Cash for Work Beneficiary, the Recipient shall conclude and thereafter implement, one or more Payment Agreement, all in accordance with the provisions of Section I.B.1(c)(i) of this Schedule.

(ii) Without limitation to the provisions of sub-paragraph (i) immediately above, each Payment Agreement for the payment of Cash for Work shall include provisions to the effect that:

(A) Unless the Association shall otherwise agree in writing, (AA) the Recipient shall: (AAA) ensure that the Payment Service Provider shall open and thereafter maintain for a term equal to the term of the Payment Agreement plus two years a separate account (each a "Cash for Work Account") for the exclusive purpose of depositing funds for payments to be paid by the Payment Service Provider to Eligible Cash for Work Beneficiaries on behalf of the Recipient; and (BBB) deposit funds in said Cash for Work Account in accordance with the provisions of the Payment Agreement. The Cash for Work Account shall be opened in a commercial bank acceptable to the Association, with terms and conditions satisfactory to the Association including, inter alia, a waiver of any rights said commercial bank may have to set off any amount deposited
in the Cash for Work Account with any other debt; and

(BB) the Payment Service Provider shall: (AAA) disburse funds from the Cash for Work Account for payments in accordance with the provisions of the Payment Agreement; and (BBB) ensure that all amounts deposited in the Cash for Work Account are used exclusively to make payments to Eligible Cash for Work Beneficiaries in accordance with the detailed provisions, procedures, sequencing and timing in relation thereto as set forth in the Project Implementation Manual and the Manual of Administrative, Financial and Accounting Procedures, and in compliance with the Anti-corruption Guidelines; and (CCC) promptly refund to the Recipient for further refund to the Association any proceeds from the Cash for Work Account not used for purposes of payment to Eligible Cash for Work Beneficiaries in accordance with the provisions of the Payment Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement; and

(B) The Payment Service Provider shall: (AA) keep records and accounts of the expenditures incurred in the payments to Eligible Cash for Work Beneficiaries; (BB) promptly inform the Recipient of any condition which interferes or threatens to interfere with the payments to Eligible Cash for Work Beneficiaries and the achievement of the objective of the Project; (CC) enable the Recipient and the Association to inspect its operations, including the payments, the Cash for Work Account, and any relevant records and documents; and (DD) if the Association or the Recipient so requests, open access to its records and accounts of expenditures to any auditor that the Recipient shall have recruited, on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement, for the carrying out of the audit of said records and accounts of expenditures.

(iii) The Recipient shall exercise its rights under each Payment Agreement for the Payment of Cash for Work 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 not assign, amend, abrogate or waive any Payment Agreement for the payment of Cash for Work or any of its provisions.
(e) The Recipient shall ensure that any payments for Cash for Work activities under Part 3 of the Project are made available under terms and conditions further described in the Project Manuals which shall include, \textit{inter alia}: (i) opening a Cash for Work Account in accordance with Section I.B.3(e)(ii); and (ii) maintaining a grievance mechanism in accordance with Section I.B.4 of this Schedule, as established under the Original Project.

4. \textit{Grievance mechanism}

(a) For the implementation of Part 2 and Part 3 of the Project, the Recipient shall maintain throughout Project implementation, an efficient, cost effective and independent grievance mechanism established under the Original Project, based on international experience and best practices adapted to the local context, as further described in the Project Implementation Manual.

(b) Without limitation to the provisions of paragraph (a) immediately above, the independent grievance mechanism shall be established for the purpose of, \textit{inter alia}: (i) clarifying the entitlement of households and individuals to receive benefits from the Project as well as due process if complaints or grievance arise; (ii) implementing such grievance mechanism suitable to the local context in order to protect the rights of the participants; and (iii) designing and implementing an outreach program to inform participants of their rights and duties as well as on the respective procedures.

C. \textit{Anti-Corruption}

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

D. \textit{Safeguards}

1. The Recipient shall ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents. In particular, the Recipient shall ensure that:

(a) for each activity under the Project of a type for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan; and
(b) for each activity under Project of a type for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.

2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any Accompanying Entity, Payment Service Provider, Eligible Beneficiary, Cash for Work Provider or Eligible Cash for Work Beneficiaries to do so.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

E. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare: (a) a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested; (b) the evidence, in form and substance satisfactory to the Association, that: (i) for each activity under Part 2.1 and Part 2.3 of the Project, (A) a Payment Agreement has been signed in accordance with Section I.B.1(c) of this Schedule; and (B) one or more agreements have been entered into in accordance with Section I.B.2 of this Schedule; and (ii) for each activity under Part 3 of the Project: (A) a Cash for Work Agreement has been entered into in accordance with Section I.B.3 of this Schedule; and (B) a Payment Agreement has been signed in accordance with Section I.B.3(d)(ii) of this Schedule.

2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than November 30 of each year, the annual work plans and budgets and the evidences referred to in subparagraph (1) above, for their review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, and the evidence which may be required for the
implementation of the activities included in the draft annual work plan and budget for such period, which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to a financing from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.

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

F. Manuals

1. The Recipient shall update the Project Implementation Manual, the Manual of Administrative, Financial and Accounting Procedures and Disaster Risk Manual to reflect the changes introduced since the Original Project, by no later than 3 months after the Effective Date, in form and substance satisfactory to the Association.

2. (a) The Recipient ensure that the Project is carried out in accordance with the Disaster Risk Manual, the Project Implementation Manual and the Manual of Administrative, Financial and Accounting Procedures; and (b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Disaster Risk Manual, the Project Implementation Manual or the Manual of Administrative, Financial and Accounting Procedures, or any provision thereof.

3. In the event of any conflict between the provisions of the Project Implementation Manual or the Manual of Administrative, Financial and Accounting Procedures and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each
Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

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

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for 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: (i) cover the period of one fiscal year of the Recipient; (ii) include an annual technical audit of the payment system; and (iii) be furnished to the Association not later than six (6) months after the end of such period.

4. Without prejudice to the provisions of paragraph (2) and (3) above, the Recipient shall ensure an annual technical audit of the payment system is carried out throughout the implementation of the Project, to verify, inter alia, if the funds disbursed reach their intended beneficiaries; and (b) that each of the corresponding audit reports is transmitted to the Association no later than six (6) month after the end of the period covered by such audit.

5. In order to ensure the timely carrying out of the audits referred to in Section II.B.3 and Section II.B.4 of this Schedule, the Recipient shall engage one set of independent auditors for the purpose not later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for 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 the Procurement Guidelines, or 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
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<tbody>
<tr>
<td>(a) National Competitive bidding subject to the following additional procedures:</td>
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<tr>
<td>(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that: (A) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (B) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines.</td>
</tr>
<tr>
<td>(ii) Invitations to bid shall be advertised in national newspapers with wide circulation.</td>
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<tr>
<td>(iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents.</td>
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</tbody>
</table>
(iv) Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.

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

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

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

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

(b) Shopping

(c) Direct Contract

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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.
### Procurement Method

<table>
<thead>
<tr>
<th>(a)</th>
<th>Quality-based Selection</th>
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</thead>
<tbody>
<tr>
<td>(b)</td>
<td>Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c)</td>
<td>Least-Cost Selection</td>
</tr>
<tr>
<td>(d)</td>
<td>Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e)</td>
<td>Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f)</td>
<td>Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g)</td>
<td>Single-source procedures for the Selection of Individual Consultants set in paragraph 5.6 of the Consultant Guidelines</td>
</tr>
</tbody>
</table>

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**D. Review by the Association of Procurement Decisions**

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

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article 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:
### Percentage of Expenditures to be Financed (inclusive of Taxes)

<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  (a) Operating Costs, goods, works, non-consulting services and consultants' services and training under the Project</td>
<td>7,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Goods, works, consultants’ services, Training and Operating Costs under Part 1.2 and Part 2.2 of the Project</td>
<td>2,100,000</td>
<td>66%</td>
</tr>
<tr>
<td>2  Cash Transfers under Part 2.1 of the Project</td>
<td>4,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>3  Goods, consultants’ services, non-consulting services and Disaster Risk Cash Transfers under Part 2.3 of the Project</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>4  Cash for Work under Part 3 of the Project</td>
<td>1,900,000</td>
<td>32%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>16,300,000</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.

2. The Closing Date is June 30, 2019.
Definitions


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

3. "Cash Account" means one of the segregated accounts opened by the Payment Service Provider in accordance with the provisions of Section I.B.1(d)(ii)(A) of Schedule 2 to this Agreement.

4. "Cash for Work" or "CFW" means a sum of money in an amount determined in the Project Implementation Manual paid or to be paid to an Eligible Cash for Work Beneficiary in remuneration of labor, as part of the cash for community work under Part 3.1 of the Project.

5. "Cash for Work Account" means one of the segregated accounts opened by the Payment Service Provider in accordance with the provisions of Section I.B.3(d)(ii)(A) of Schedule 2 to this Agreement.

6. "Cash for Work Agreement" means any of the agreements referred to in Section I.B.3 of Schedule 2 to this Agreement.

7. "Cash for Work Micro-projects" means cash for work micro-projects, such as soil conservation and environment protection, small infrastructure rehabilitation and sanitation activities, as well as other activities acceptable to the Association, as confirmed in writing by the Association.

8. "Cash for Work Provider" means an entity that has entered into a Cash for Work Agreement with the Recipient in accordance with the provisions of Section I.B.3 of Schedule 2 to this Agreement.

9. "Cash Transfer" means a transfer of funds in the form of grants on behalf of the Recipient to an Eligible Beneficiary, made or to be made in accordance with the provisions of the Project Implementation Manual, the Manual of Administrative, Financial and Accounting Procedures and a Payment Agreement, with the aim of contributes to support the Eligible Beneficiaries in their fight against food insecurity.

11. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of eight million four hundred thousand US Dollars (US$8,400,000), to be provided by the Co-financier to assist in financing Parts 1.2, 2.2, 2.3 and 3 of the Project.

12. "Co-financing Agreement" means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.


14. "CFS" means Cellule de Filet Sociaux, established by the Recipient's decision (arrêté) no. 00236/PM dated December 16, 2010, as amended

15. "Disaster Risk Cash Transfer" means a transfer of funds in the form of grants on behalf of the Recipient to an Eligible Beneficiary, made or to be made in accordance with the provisions of the Disaster Risk Manual, the Project Implementation Manual, the Manual of Administrative, Financial and Accounting Procedures and a Payment Agreement, with the aim of providing assistance to poor and vulnerable households in response to shocks.

16. "Disaster Risk Manual" means the project implementation manual adopted by the Recipient under the Original Project setting out implementation, organizational, monitoring and evaluation, environmental and social monitoring and mitigation, targeting mechanisms, Disaster Risk Cash Transfer eligibility criteria, for purposes of implementation of Part 2.3 of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such Manual.

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

19. "Eligible Beneficiary" means a household which meets the targeting and eligibility criteria detailed in the Project Implementation Manual or the Disaster Risk Manual, and as such is eligible to the payment of Cash Transfers or Disaster Cash Transfers, as applicable, and referred to in Section I.B.1(b) of Schedule 2 to this Agreement.

20. "Eligible Cash for Work Beneficiary" means an individual who meets the targeting and eligibility criteria detailed in the Project Implementation Manual, and as such is eligible to Cash for Works, and referred to in Section I.B.3(b)(iv) of Schedule 2 to this Agreement.

21. "Environmental and Social Management Framework" means the Recipient’s document entitled “Cadre de Gestion Environnementale et Sociale (CGES)” and dated February 18 and March 11, 2011, and updated and disclosed in-country on February 18, 2016, and disclosed in Infoshop on February 17, 2016, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

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


24. "Management Information System" or "MIS" means a system that combines software and databases to support the management and monitoring of a program’s activities, such as the MIS of the Social Registry and the MIS of the Social Transfer program, each comprising different modules, which allow users to perform core functions related to the registration of households, the application of a proxy-means test, the production of lists of eligible households (for the Social Registry MIS), the registration of Eligible Beneficiaries, the payment of Cash Transfers, the verification of compliance with the program conditionality (for the Social Transfer Program), the management of grievances and redress, the management and monitoring of daily activities, and the production of regular reports on implementation (for both MISs).

25. "Manual of Administrative, Financial and Accounting Procedures" means the manual adopted by the Recipient under the Original Project, setting out
administrative, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such Manual.

26. “Multidonor Trust Fund for Adaptive Social Protection in the Sahel” means the trust fund established under an administration agreement concluded between the donors and the Association on March 10, 2014, and administered by the Association.

27. “New Regions” means the regions of Niamey, Diffa, Agadez located in the territory of the Recipient which are the additional regions where activities under the Project will be implemented.

28. “Original Financing Agreement” means the financing agreement for a Safety Net Project between the Recipient and the Association, dated July 14, 2011, as amended to the date of this Agreement (Credit No. 4920-NE).

29. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.

30. “Operating Costs” means the incremental expenses incurred by the CFS, based on the Annual Work Plans and Budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

31. “Payment Agreement” means any of the agreements referred to in Section I.B.1(d) of Schedule 2 to this Agreement.

32. “Payment Service Provider” a person who has entered into a Payment Agreement with the Recipient in accordance with the provisions of Section I.B.1(d) of Schedule 2 to this Agreement.

33. “Pest Management Plan” means the Recipient’s document disclosed in country on February 17, 2016, and on Infoshop on February 18, 2016, describing the actions and policies required or appropriate to promote and support the safe, effective and environmentally-sound pest management under the Project, as such Pest Management Plan may be amended from time to time, and such term includes all schedules and agreements supplemental to the Pest Management Plan.

35. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 26, 2016 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.

36. "Project Implementation Manual" means the project implementation manual prepared and adopted by the Recipient for the Original Project, setting out implementation, organizational, monitoring and evaluation, environmental and social monitoring and mitigation, targeting mechanisms, Cash Transfer eligibility criteria, Cash for Work eligibility criteria, for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such Manual.

37. "Project Management Unit" means Unité de Gestion Technique, established within CFS by the Recipient’s decision (arrêté) no. 00236/PM dated December 16, 2010.

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


40. "Safeguard Documents" means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, the Pest Management Plan, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under the Project, if any.
41. “Safety Nets Unit” or “CFS” means Cellule de Filet Sociaux, established by the Recipient’s decision (arrêté) no. 00261/PM dated October 17, 2011.

42. “Safety Nets System” means the safety net system of the Recipient set up under the Original Project.

43. “Steering Committee” means Comité de Pilotage, established within CFS by the Recipient’s decision (arrêté) no. 00261/PM dated October 17, 2011.

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

45. “Unified Social Registry” means a common database on potential and actual beneficiaries of selected social programs.