H. E. Amadou Boubacar Cissé  
Minister of State  
Minister of Planning, Land Management and Community Development  
Ministry of Planning, Land Management and Community Development  
Niamey  
Republic of Niger

Re: AEITF Grant No. TF018145  
Republic of Niger: Legal and Technical Advisory Support for Negotiations

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 and the International Development Association (collectively, the "World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Africa Sustainable Extractive Industries Multi-Donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed one million three hundred fifty thousand United States Dollars (U.S.$1,350,000) ("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 from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is 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 return 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Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Paul Noumba Um
Country Director for Niger
Africa Region

AGREED:
REPUBLIC OF NIGER

By
Authorized Representative

Name: Amaoudou Issiaka
Title: Minister of Economic Planning and Development
Date: February 12, 2015

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(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 shall have the following meanings:

(a) "Beneficiary Ministries" means the Recipient’s ministries in charge of planning, mines, petroleum, finance and environment.

(b) "Project Implementation Manual" means the manual referred to in Section 2.03(b) of this Annex, as the same may be amended from time to time with the prior written consent of the World Bank.

(c) "Project Implementation Unit" and "PIU", each means the unit established for the purpose of the Financing Agreement between the Association and the Republic of Niger pursuant to the Competitiveness and Growth Support Project (Credit Number 5132-NE) dated July 5, 2012.

(d) "Training" means the reasonable costs of training under the Project attributable to seminars, workshops, study programs and tours, along with tuition, travel and subsistence allowances 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.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the institutional capacity of the Recipient to negotiate mining and petroleum deals and monitor contractual and regulatory compliance in the extractive industries. The Project consists of the following parts:

Part I. Capacity Building in Operational and Regulatory Compliance Verification

1. Provision of hands-on training to the Recipient’s Beneficiary Ministries in connection with the mining sector aimed at: (a) building their technical expertise in the areas of technical and operational inspections, policy legal framework, sector regulations, institutions and fiscal arrangements; (b) strengthening their capacity to fulfill their regulatory functions and monitor compliance with sector policies and with contractual obligations, including the development of tools and guidelines to enable contract enforcement and compliance; (c) providing training to staff in charge of conducting technical legal, economic, financial, environmental and social due diligence;
and (d) carrying out a joint audit of selected operations through the use of toolkits and skills previously developed.

2. Provision of hands-on training to the Recipient's Beneficiary Ministries in connection with the petroleum sector aimed at: (a) building their capacity to understand: (i) laws with regard to the oil and gas sectors; and (ii) regulations based on international best practices; (b) developing their capacity to understand gas and oil contracts, including drilling contracts, joint operative agreements and support agreements, production sharing contracts, reconnaissance contracts, petroleum data contracts, petroleum and natural gas processing and storage contracts, supply and purchase agreements and transportation contracts licensing; (c) training staff to review and assess: (i) commercial terms, conditions and intends of oil and gas contracts; (ii) joint operating agreement and accounting agreements; and (iii) audit of technical, financial, safety and environmental compliance of existing oil and gas contracts; and (d) assisting in the development of tools and guidelines to enable: (i) contract enforcement and compliance; and (ii) the use of these tools in the context of a technical and financial audit of selected petroleum operations.

Part II. Institutional Capacity Building for Negotiations

Strengthening the capacity of the Recipient's Beneficiary Ministries to conduct, with minimal supervision, operational audits and regulatory compliance inspections, through: (a) staff training to: (i) review and assess investment proposal and feasibility studies; (ii) provide technical support to the Recipient during negotiations of extractive industries contracts and concessions; (b) capacity building on mining negotiations, including training of senior officials on negotiations strategies to improve the legal, technical and financial terms of existing contracts or contracts under negotiations; (c) training of key operational staff in transaction evaluation and negotiation, including, inter alia: (i) transaction due diligence requirements; (ii) mineral asset valuation and cash flow modeling; (iii) evaluation of risk and return considerations in investment proposals; (iv) alternative deal structuring to maximize the Recipient's economic benefits; (v) contract negotiation techniques; and (vi) management of the concession process; (d) capacity building to: (i) assist the Recipient's negotiating team to bridge the knowledge and information gap during negotiations; (ii) ensure that contracts are in conformity with policies and laws governing the extractive industries in the Recipient's territory; and (iii) integrate broader factors of economic development into decision making process; (e) development of toolkits, standard procedures, templates and model agreements for the improvement of mineral deposits; and (f) awareness raising and information dissemination to sensitize stakeholders about the decision making framework during contract negotiations.

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 Project Implementation Unit (PIU) 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. Institutional and Other Arrangements. Without limitation upon the provisions of Section 2.02 above:

(a) The Recipient shall, at all times during Project implementation, maintain the PIU with a mandate, composition and resources satisfactory to the World Bank to ensure the Project's overall coordination and management, including procurement and financial management thereof.
(b) The Recipient shall adopt, in accordance with terms of reference acceptable to the World Bank and not later than two (2) months after Effective Date, a Project manual ("Project Implementation Manual"), containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communication; and (v) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of Project implementation.

(c) The Recipient shall afford the World Bank a reasonable opportunity to review such manual, and shall thereafter adopt said manual as shall have been approved by the World Bank.

(d) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual or any provision thereof, without the prior written consent of the World Bank.

(e) The Recipient shall pay due attention to and ensure that all terms of reference for any training, capacity building or technical assistance carried out under the Project are consistent with the World Bank's environmental and social safeguards policies, as well as the Recipient's own laws relating to the environment and social aspects.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purpose of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.05. 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 forty-five (45) days 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 (6) months after the Closing Date.

2.06. 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 not later than forty-five (45) days after the end of
each calendar semester, covering the semester, 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 audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. Procurement

(a) General. All consultants' 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:

(i) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants’ services; and

(ii) 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 1.25 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 Sections II, III, IV and V of the Consultant Guidelines.

(c) Particular Methods of Procurement of Consultants' Services

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

(ii) The following methods, other than Quality- and Cost-based Selection, 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 of consulting firms; (F) Selection of Individual Consultants; and (G) Single-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) Consultants' services and Training under the Project</td>
<td>1,350,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>1,350,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Condition:** 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, 2016.

Article IV
Additional Remedies

4.01. **Additional Event of Suspension.** The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) At any time prior to the Closing Date, the Recipient has failed to apply sound environmental or social standards or practices in its management or carrying out of activities in its industrial mining sector; and (b) as a result of such failure, a situation has arisen making it improbable that the objectives of the Project shall be achieved.

Article V
Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for planning.
5.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Planning, Land Management and Community Development  
B.P. 389  
Niamey  
Republic of Niger  

Facsimile:

(+227) 20 73 59 34

5.03. **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  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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