Financing Agreement

(Additional Financing for First Part of the Second Phase of the Niger Basin Water Resources Development and Sustainable Ecosystems Management Program)

between

NIGER BASIN AUTHORITY

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 19, 2014
GRANT NUMBER H953-3A

FINANCING AGREEMENT

AGREEMENT dated July 19, 2014, entered into between NIGER BASIN AUTHORITY ("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 or in the Original Financing 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 hundred thousand Special Drawing Rights (SDR 200,000) ("Financing"), to assist in financing the project described in Schedule I 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 March 15 and September 15 in each year.

2.05. The Payment Currency is the Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out Part I 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 the Part 1 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, namely, that as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen, which makes it improbable that the Program can be carried out or that the Recipient will be able to perform its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS - TERMINATION

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

5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Executive Secretary.

6.02. The Recipient's Address is:

NIGER BASIN AUTHORITY
Post Office Box 729
9, Avenue du fleuve
Ancien Plateau
Niamey, NIGER

Facsimile:

(227) 20 72 42 08
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, Republic of Niger, as of the day and year first above written.

NIER BASIN AUTHORITY

By

Authorized Representative

Name: H.E Collins R.U. IHEKIRE

Title: Executive Secretary, Niger Basin Authority

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Nestor Coffi

Title: Country Manager for Niger
SCHEDULE I

Project Description

The objective of the Project is to increase access to water for agriculture development and capacity for energy generation in the Republic of Niger's part of the Niger Basin.

The Project constitutes the Original Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. The Project implementation arrangements shall be identical to those set forth in Section I.A to Section I.E of Schedule 2 to the Original Financing Agreement.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of Part I 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.

2. Forty-two (42) months after the Effective Date, or at any other date agreed with the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of Part I of the Project. The Recipient shall prepare and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out Part I of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

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 Part I of 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

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

Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts
specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to using bidding documents acceptable to the Association; (c) Shopping; (d) Direct Contracting; (e) Procurement from a UN Agency (FAO, UNESCO, UNHCR); (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association; and (h) Community Participation procedures which have been found acceptable to the Association.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (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 UN Agency (FAO, UNESCO, UNHCR); (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, consultants services, Operating Costs and Training for Part 1 of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>200,000</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 April 1, 2021, and the Closing Date referred to in Section IV.B.2 of Schedule 2 to the Original Financing Agreement shall be modified to refer to the date April 1, 2021.
Section I. Definitions

The Capitalized terms defined in the Section I of the Appendix to the Original Financing Agreement shall have the meanings set for the therein, and the following terms shall have the following meaning:


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


4. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of the Appendix to the Original Financing Agreement.

5. "Original Financing Agreement" means the financing agreement for a First Part of the Second Phase of the Niger Basin Water Resources Development and Sustainable Ecosystems Management Program between the Recipient and the Association, dated December 14, 2012, (Grant No. H805-3A)

6. "Original Project" means the Project described in the Original Financing Agreement.


8. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 21, 2012, as updated through the Procurement Plan dated March 31, 2014, 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.
Section II. Modifications to the General Conditions

The modifications to the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010 are as follows (all references to Sections and the Appendix are to Sections of and the Appendix to said General Conditions):

A. In Section 2.06 (Financing Taxes), the text “Taxes levied by, or in the territory of, the Recipient” is modified to read “Taxes levied by, or in the territory of, the Member Country”.

B. In Section 3.10 (Manner of Payment), the text “Taxes levied by, or in the territory of the Recipient” is modified to read “Taxes levied by, or in the territory of, the Member Country”.

C. Paragraph (a) of Section 4.09 (Financial Management, Financial Statements, Audits) is modified to read as follows:

“(a) The Recipient shall maintain or cause to be maintained a financial management system and prepare financial statements ("Financial Statements") in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Recipient, including the operations, resources and expenditures related to the Project.”

D. Paragraph (a) of Section 4.11 (Visits) is modified to read as follows:

“(a) The Recipient shall take all measures required on its part to enable the representatives of the Association to visit any part of the Member Country’s territory for purposes related to the Financing or the Project.”

E. Section 5.01 (Financial and Economic Data) is deleted in its entirety.

F. In sub-paragraph (ii)(B) of Section 6.02 (Assignment of Obligations; Disposition of Assets), the expression “Project Implementing Entity” is modified to read “Recipient”.

G. Section 6.02 (j) (Membership) is modified to read as follows:

“(j) Membership. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”
H. In Sections 6.02 (k) (Condition of Project Implementing Entity) and 6.02 (l) (Ineligibility), all references to “Project Implementing Entity” are modified to read “Recipient”.

I. A new paragraph (m) is added to Section 6.02 (Suspension by the Association) (and the existing paragraph (m) is renumbered as (n)) to read as follows:

“(a) Interference. The Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to Financing or the Project.”

J. A new definition is added as paragraph 35 of the Appendix to read as follows, and the existing paragraph 35 and subsequent paragraphs (all and references to such paragraph numbers) are renumbered accordingly:

35. “Member Country” means the member of the Association in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If such activity is carried out in the territory or more than one such member, “Member Country” refers separately to each such member.”

K. The definition of “Recipient” (as renumbered pursuant to the addition of the definition of Member Country) is modified to read as follows:

“46. “Recipient” means the entity which is a party to the Financing Agreement and to which the Financing is extended.”