

CREDIT NUMBER 5755-NE
GRANT NUMBER D098-NE

Project Agreement

(Electricity Access Expansion Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

Société Nigérienne d'Electricité

Dated January 13, 2016



A small, stylized handwritten mark or signature.

A larger, stylized handwritten mark or signature.

**CREDIT NUMBER 5755-NE
GRANT NUMBER D098-NE**

PROJECT AGREEMENT

AGREEMENT dated *January 13* 2016 entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and *Société Nigérienne d’Electricité* (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the REPUBLIC OF NIGER (“Recipient”) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its director general.

4.02. The Association's Address is:

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

Telex:

Facsimile:

248423(MCI)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

201 Avenue du General de Gaulle (PL 30)
BP 11 202
Niamey
Republic of Niger

Facsimile:

(227) 20 72 32 88

AS



AGREED at Niamey, Republic of Niger, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



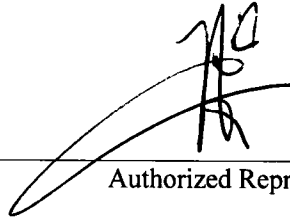
Authorized Representative

Name: Siaka BAKAYOKO

Title: Country Manager for Niger

SOCIETE NIGERIEENNE D'ELECTRICITE

By



Authorized Representative

Name: Halid Alhassane

Title: Directeur General
NIGELEC



SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall be responsible for the overall coordination and implementation of the Project, as described in the Project Implementation Manual. The Project Implementing Entity shall collaborate with MEP and all other subdivisions/regional offices of the Project Implementing Entity involved in the implementation of the Project, as described in the Project Implementation Manual.
2. The Project Implementing Entity shall maintain, throughout the implementation of the Project, the Project Implementation Unit and all other subdivisions/regional offices of the Project Implementing Entity involved in the implementation of the Project with qualified staff and adequate resources in a manner satisfactory to the Association. The PIU shall: (i) be headed by a Project coordinator reporting directly to the secretary general of the PIE; and (ii) include, *inter alia*, a procurement specialist, a financial management specialist, an accountant, a technical specialist and a safeguard specialist. The procurement specialist and the accountant shall be assisted by external specialists, recruited on a temporary-basis, as agreed between the Association and the PIE.

B. Anti-Corruption

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

C. Project Implementation Manual

1. The Project Implementing Entity shall implement the Project in accordance with the PIM. The Project Implementing Entity shall not amend, suspend, abrogate, repeal or waive any provision of the PIM, without prior approval of the Association.
2. In the event that any provision of the PIM shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

1. The Project Implementing Entity shall implement the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall, and shall to:

- (a) if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:
 - (i) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with applicable ESIA, ESMF and RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument; and
- (b) if any activity under the Project would involve Affected Persons:
 - (i) to ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement mitigation measures under a Resettlement Action Plan prepared pursuant to the requirements of the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and provision of other assistance required for relocation, have been implemented; and
 - (ii) to provide from its own resources, any financing required for any measures under sub-paragraph (i) above, including any costs associated with land acquisition required for the Project.

- 2. The Project Implementing Entity shall ensure that all studies and technical assistance under the Project are undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference shall be designed to ensure that said studies and technical assistance are consistent with the Association's environmental and social safeguard policies.
- 3. In the event that any provision of the Safeguard Instruments or Supplemental Social and Environmental Safeguard Instrument shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

E. Annual Work Plans and Budgets

- 1. Not later than October 30 in each calendar year, the Project Implementing Entity shall, for the purpose of forwarding to the Association, submit an annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project, of such scope and detail as the Association shall have reasonably requested, such plan to include an implementation schedule and budget and financing plan.

2. The Project Implementing Entity shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
3. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior written approval.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity 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 the indicators set forth in the PIM acceptable to the Association. Each such 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 Project Implementing Entity shall 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity 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 Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after

jb



the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

4. The Project Implementing Entity shall: (i) appoint an independent auditor, with terms of reference and qualifications acceptable to the Association, in accordance with the provisions of Section III of this Schedule by not later than four (4) months as of the Effective Date; and (ii) procure and set an appropriate accounting software to ensure timely recording of financial information as well as timely production of quarterly and annual financial statements not later than three (3) months as of the Effective Date.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

