



April 4, 2017

Her Excellency Kane Aichatou Boulama
Minister of Planning
Ministry of Planning
Niamey
Republic of Niger

Re: Republic of Niger: Advance Agreement for the Preparation of the
Proposed Niger Solar Access Project
Project Preparation Advance No. V070

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 Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed one million three hundred thousand Dollars (\$1,300,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase access to electricity through solar energy in the Recipient's territory ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of 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 returning 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 notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 6.02 of the Annex to this Agreement that

the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 6.01 of the Annex to this Agreement has been satisfied.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Paola Ridolfi

Acting Country Director for Niger
Africa Region

AGREED:
REPUBLIC OF NIGER

By:

 3/
Authorized Representative

Name: Aichatou Boulana Kané

Title: Minister of Planning

Date: 06 AVR 2017

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006
- (3) "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 and as of July 1, 2016

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility” dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

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) “Implementing Entity” means NIGELEC.
- (b) “Implementing Entity’s Legislation” means NIGELEC’s regulation (*Acte de l’Assemblée Constitutive*) dated July 20, 1968, for the establishment and operation of NIGELEC.
- (c) “Implementing Unit” means the unit established within the Implementing Entity pursuant to the Financing Agreement between the Association and the Recipient dated January 13, 2016 (Credit 5755-NE/Grant D098-NE).
- (d) “NIGELEC” means the Recipient’s *Société Nigérienne d’Electricité*, a public company incorporated under the laws of the Recipient, responsible for the provision of electricity in the territory of the Recipient.
- (e) “Operating Costs” means the incremental expenditures incurred on account of the Activities implementation including, *inter-alia*, office supplies, transportation, office administration, insurance, publication of training materials, reasonable bank charges relating to operation of the designated account, and salaries of locally contracted employees, but excluding consultant fees and salaries of the Recipient’s civil servants.
- (f) “Subsidiary Agreement” means the agreement referred to in Section 2.03 (a) of this Annex pursuant to which the Recipient shall make the proceeds of the Advance available to the Implementing Entity.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

- (a) Provision of technical assistance to: (i) support the definition of the financing mechanism with a financial intermediary for specific activities to be carried out under Project; (ii) draw a master plan for rural electrification and identification of the first 10 rural concessions; (iii) prepare the Project safeguards instruments, including an environmental impact assessment and a resettlement assessment plan related to the hybridization of NIGELEC’s isolated diesel-based grids; (iv) support the Recipient’s ministry in charge of energy on the tax exemption regulation for solar products;

(v) develop a strategy for communication and awareness raising campaigns for solar products; and (vi) prepare the Project's manuals.

(b) Hiring of the Project's fiduciary staff, including a financial management specialist and a procurement specialist.

(c) Acquisition of office equipment, consisting, *inter alia*, of financial management software.

(d) Provision of Operating Costs for the purpose of Project preparation.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall cause the Activities to be carried out by the Implementing Entity in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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 and as of July 1, 2016; and (d) the Subsidiary Agreement.

2.03. Institutional and Other Arrangements. Without limitation upon the provisions of Section 2.02 above:

(a) The Recipient shall make the proceeds of the Advance available to the Implementing Entity under a subsidiary agreement between the Recipient and the Implementing Entity, under terms and conditions approved by the World Bank ("Subsidiary Agreement") which shall include the obligation of the Implementing Entity to:

(i) implement the Activities with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement;

(ii) (x) procure all goods and services required under the Activities and to be financed out of the proceeds of the Advance in accordance with the provisions of Section 2.06 of this Annex; and (y) ensure that all such goods and services are used exclusively for the purposes of implementing the Activities;

(iii) with respect to records management: (A) maintain records adequate to record the progress of the Activities (including their costs and the benefits to be derived from them), to identify the goods and services financed out of the proceeds of the Advance and disclose their use; and (B) furnish such records and information as may be requested by the Recipient or the World Bank;

(iv) with respect to monitoring and evaluation, maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis the progress of the Activities;

(v) with respect to financial management: (x) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the World Bank, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and

expenditures related to the Activities; and (y) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; and

(vi) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(b) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Advance. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(c) The Recipient shall cause the Implementing Entity to maintain, throughout the Refinancing Date, the implementing unit, with mandate, composition and resources acceptable to the World Bank, to oversee the overall fiduciary management of the Advance, including financial management and procurement ("Implementing Unit"). To this end, the Implementing Unit shall be composed of: (i) a head fiduciary unit; (ii) an accountant; and (iii) an assistant accountant, all with terms of reference, qualifications and experience acceptable to the World Bank.

2.04. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall, through the Implementing Entity, monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. Financial Management. (a) The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall cause the Implementing Entity to prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Activities covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date,

covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. Procurement

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated December 1, 2016 (“Procurement Plan”) provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

**Article III
Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of 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 each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services and Operating Costs under the Activities	1,300,000	100%
TOTAL AMOUNT	1,300,000	

3.02. **Withdrawal Conditions.** 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. **Refinancing Date.** The Refinancing Date is January 31, 2018.

**Article IV
Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall

accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. ***Repayment.*** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) ***Refinancing under the Refinancing Agreement:*** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) ***Repayment in the absence of a Refinancing Agreement:*** If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V

Additional Remedies

5.01. ***Additional Events of Suspension.*** The Additional Event of Suspension consists of the following, namely that the Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Implementing Entity to perform any of its obligations under the Advance.

5.02. ***Additional Events of Acceleration.*** The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Annex occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the World Bank to the Recipient.

Article VI

Effectiveness; Termination

6.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Subsidiary Agreement referred to in Section 2.03(a) of this Annex has been executed on behalf of the Recipient and the Implementing Entity and is legally binding upon each such party in accordance with its terms.

6.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Annex ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

6.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VII

Recipient's Representative; Addresses

7.01. ***Recipient's Representative.*** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its Minister responsible for planning.

7.02. ***Recipient's Address.*** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Planning
B.P. 862
Niamey
Republic of Niger

7.03. ***World Bank's Address.*** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

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