Project Agreement
(Niger Basin Water Resources Development and Sustainable Ecosystems Management Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NIGER BASIN AUTHORITY

Dated July 26, 2007
AGREEMENT dated July 26, 2007, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and NIGER BASIN AUTHORITY (“Project Implementing Entity”) (“Project Agreement”) in connection with the following Financing Agreements (collectively the “Financing Agreements”) of same date:

(i) Financing Agreement between the Republic of Benin and the Association;
(ii) Financing Agreement between the Republic of Guinea and the Association;
(iii) Financing Agreement between the Republic of Mali and the Association;
(iv) Financing Agreement between the Republic of Niger and the Association; and
(v) Financing Agreement between the Federal Republic of Nigeria and the Association

The Republic of Benin, the Republic of Guinea, the Republic of Mali, the Republic of Niger and the Federal Republic of Nigeria being herein collectively referred to as the “Recipients”.

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 Agreements) 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 Agreements or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project and the Program. 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 years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Executive Secretary.

4.02. The Association’s Address is:

   International Development Association
   1818 H Street, NW
   Washington, DC 20433
   United States of America

   Cable:         Telex:       Facsimile:
   INDEVAS        248423(MCI)   1-202-477-6391
   Washington, D.C.

4.03. The Project Implementing Entity’s Address is:

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

   Telephone:     Facsimile:
   (227) 20 72 31 02  (227) 20 72 42 08
AGREED at Niamey, Republic of Niger, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Nils O. Tcheyan
Authorized Representative

NIGER BASIN AUTHORITY

By /s/ Mohammed Bello Tuga
Authorized Representative
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

(a) At the Project Implementing Entity level:

(i) the Project Implementing Entity’s *Regional Steering Committee* shall give overall guidance to the Project Implementing Entity and the National Focal Structures, formally review progress, and approve Project’s annual action plans;

(ii) the Project Implementing Entity’s *Technical Direction* (“*Direction Technique*”) shall be responsible for the overall supervision of the Project;

(iii) the Project Implementing Entity’s *Niger Basin Observatory* shall be responsible for monitoring and evaluation of the Project’s activities, in collaboration with the National Implementing Agencies; and

(iv) the Project Implementing Entity shall liaise with the *West African Power Pool*, which shall participate in the supervision of the development of power-related infrastructure.

(b) Under the Project Implementing Entity’s overall supervision and control:

(i) the National Focal Structures established by the Republic of Benin, the Republic of Guinea, the Republic of Mali, and the Republic of Niger, respectively, shall be responsible for supervising the activities implemented at the national level and acting as coordinating body between the Project Implementing Entity and the National Implementing Agencies;

(ii) the National Focal Structure established by the Federal Republic of Nigeria shall act as coordinating body between the Project Implementing Entity and the National Implementing Entity established by the Federal Republic of Nigeria; and

(iii) the National Implementing Agencies shall implement Part 2 and Part 3 of the Project.

B. Manuals

The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Project Implementation Manual, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of the Project.
C. **Safeguards**

The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of the Project.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. (a) 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 below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than one month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

   (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

   (i) Percentage of the Project activities implemented according to the Niger Basin Sustainable Development Action Plan.

   (ii) Additional hydropower capacity (in Mws) generated further to the rehabilitation at the Kainji and Jebba hydropower plants.

   (iii) Hectares of additional irrigated or rehabilitated surface in the Mopti region (Mali), Tillabery region (Niger) and Karimaman and Malanville districts (Benin).

   (iv) Percentage of targeted watershed area in the Faranah region (Guinea), Mopti region (Mali), Dosso and Tillabery regions (Niger) and Borgou, Alibori and Atacora regions (Benin) using agro-forestry, river bank stabilization, silt and sedimentation control.

   The target values of the above mentioned indicators are detailed in the Project Implementing Manual.

2. The Project Implementing Entity shall provide to the Recipient not later than May 31, 2013, for incorporation in the report referred to in Section 4.08 (c) of the
General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

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 Recipients and the Association not later than forty five days after the end of each calendar quarter, interim un-audited 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 audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

**Section III. Procurement**

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

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

The Project Implementing Entity shall withdraw the proceeds of the Financings in accordance with the provisions of Section IV of Schedule 2 to the Financing Agreements.

**Section V. Other Undertakings**

A. No later than thirty months after the Effective Date, or any date agreed between the Recipients, the Project Implementing Entity and the Association, the Recipients, the Project Implementing Entity and the Association shall carry out a mid-term review of the Project, on the progress made in the implementation of the Project. The Project Implementing Entity shall prepare, on the basis of terms of reference satisfactory to the Association, and transmit to the Association, no later than three months before the beginning of such mid-term review of the Project, a report including the results of the monitoring and evaluation activities carried out in accordance with this Agreement, on the progress made in the implementation of the Project during the period covered by such report, and making recommendations to ensure the efficient implementation of the Project and the achievement of the Project objectives during the period after the mid-term
review. The other technical and financial partners supporting the Program shall be invited to participate in the mid-term review.

B. No later than two months after the Effective Date, the Project Implementing Entity shall enter into a Memorandum of Understanding with the West African Power Pool for the joint supervision of Part 2 of the Nigeria Project Activities.

C. The Project Implementing Entity shall furnish to the Association, as soon as available, but in any case no later than September 1 of each year, an annual action plan and budget for the Project for the following year, in form and substance satisfactory to the Association, and of such scope and detail as the Association shall have reasonably requested, except for the annual action plan and budget for 2008, which shall be furnished no later than October 1, 2007 or thirty (30) days after the Effective Date, whichever is later, and shall cover activities planned between the date of signature of the Financing Agreement and December 31, 2008.

D. No later than two months after the Effective Date, the Project Implementing Entity shall recruit an accountant with terms of reference, qualification and experience satisfactory to the Association.

E. No later than two months after the Effective Date, the Project Implementing Entity shall recruit a procurement specialist, with terms of reference, qualification and experience satisfactory to the Association.