

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4552-NE

Financing Agreement

(Agro-Sylvo-Pastoral Exports and Markets Development Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 24, 2009

CREDIT NUMBER 4552-NG

FINANCING AGREEMENT

AGREEMENT dated April 24, 2009, entered into between REPUBLIC OF NIGER (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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.

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 credit in an amount equivalent to twenty six million and five hundred thousand Special Drawing Rights (SDR 26,500,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are April 1st and October 1st in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out 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 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:

As a result of events which have occurred after the date of the Financing Agreement, an extraordinary situation has arisen which makes it improbable that the Program can be implemented.

- 4.02. The Additional Event of Acceleration consists of the following:

The event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Recipient has established a Technical and Fiduciary Coordination Unit within its Ministry responsible for agricultural development, with functions and resources satisfactory to the Association.
- (b) The Recipient has recruited and signed under contract the following staff for the Technical and Fiduciary Coordination Unit, each with terms of reference, qualifications and experience satisfactory to the Association, and selected or designated in accordance with the provisions of Section III of Schedule 2 to this Agreement: (i) a national coordinator; (ii) an administrative and financial management specialist; (iii) two accountants; (iv) an internal controller; (v) a procurement specialist;

(vi) a monitoring and evaluation specialist; and (vii) an environmental and social impact evaluation specialist.

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

- 5.03. 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Recipient's Minister at the time responsible for finance.

6.02. The Recipient's Address is:

Minister of Economy and Finance
Ministry of Economy and Finance
B.P. 389
Niamey
Republic of Niger

Facsimile:

227-20-73-59-34

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
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF NIGER

By /s/ Ali Mahaman Lamine Zeine

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Madani M. Tall

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the value of Selected Products marketed by Project supported producers.

The Project consists of the following parts:

Part A: Improvement of Supply Chain Coordination and Marketing Conditions

Improvement of supply chain coordination and marketing conditions, through: (a) Support to supply chain coordination; (b) Support to high potential economic operators; and (c) Improvement of marketing conditions and competitiveness.

Part B: Development of Financing Instruments

Development of financing instruments, through: (a) Provision of Matching Grants to support cost-sharing mechanisms; (b) Facilitation of access to credit; and (c) Support to the development of sustainable financing instruments.

Part C: Securing Irrigation Potential

Securing irrigation potential, through: (a) Construction or rehabilitation of community works in irrigation perimeters and protection of irrigated perimeters; (b) Improvement of connection to markets by constructing or rehabilitating feeder roads; and (c) Environment monitoring.

Part D: Project Coordination, Management, Monitoring and Evaluation

Project coordination, management, monitoring and evaluation, including: (a) Support to the Technical and Fiduciary Coordination Unit; and (b) Establishment and implementation of a monitoring and evaluation system, in coordination with the monitoring of non Project activities in the agro-sylvo-pastoral sector.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain the following implementation arrangements, as further described in the Project Implementation Manual, throughout the implementation of the Project:

1. The Steering Committee
 - (a) The Steering Committee shall be responsible for the overall strategic guidance and oversight of the Project, as well as the coordination of Project activities with other activities carried out for the implementation of the Recipient's Rural Development Strategy.
 - (b) The Steering Committee shall have membership, functions, staffing and resources satisfactory to the Association.
2. The Technical and Fiduciary Coordination Unit
 - (a) The Technical and Fiduciary Coordination Unit shall be responsible for Project management and implementation, including fiduciary aspects (internal control, procurement, disbursements, accounting, reporting, monitoring and evaluation) and technical coordination.
 - (b) The Technical and Fiduciary Coordination Unit shall have functions, staffing and resources satisfactory to the Association. Without limitation upon the foregoing provision, the Technical and Fiduciary Coordination Unit shall have the following staff, each recruited in accordance with Section III of Schedule 2 to this Agreement, and each with qualifications, experience and terms of reference satisfactory to the Association: (i) a national coordinator; (ii) an administrative and financial specialist; (iii) two accountants; (iv) an internal controller; (v) a procurement specialist, (vi) a monitoring and evaluation specialist; (vii) an environmental and social impact evaluation specialist; and (viii) a communication specialist.

- (c) No later than three (3) months after the Effective Date, the Recipient shall have designated and shall thereafter maintain a focal point in each of its Regions in order to, *inter alia*, facilitate the coordination between the regional technical directorates of the Recipient's line ministries and the Technical and Fiduciary Coordination Unit, in particular for coordination and monitoring of the Project activities at the local level.
- (d) For the implementation of Project activities at the local and regional levels, the Technical and Fiduciary Coordination Unit shall coordinate with the relevant services of the technical directorates in the Recipient's line Ministries, and with the private operators which may be involved in the implementation of specific Project activities.

B. Anti-Corruption

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

C. Sub-projects

- 1. (a) Under Part B (a) of the Project, the Recipient shall make Matching Grants to Beneficiaries for the purpose of financing costs connected with community business enterprises or joint ventures business expansion Sub-projects in the area of production, primary collection, transformation, marketing of one or more Selected Products and other relevant services, and in particular:

- (i) the due diligence reviews and structuring of innovative Sub-projects that address weak links along the Selected Product supply chains on a cost sharing basis as well as business plan implementation and monitoring, and
- (ii) the co-financing of key commercial storage infrastructures that are critical for consolidating the overall Selected Product supply chains.

- (b) The Recipient shall make said Matching Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and further described in the Project Implementation Manual.

- 2. The Recipient shall make each Matching Grant under a Matching Grant Agreement with the respective Beneficiary drafted on the basis of the model agreement attached to the Project Implementation Manual, and under terms and conditions described

in more detail in the Project Implementation Manual, which shall, *inter alia*, include the following:

(a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including and without limitation to the generality of the foregoing provision, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; and in accordance with the Environmental and Social Management Plan prepared for its Sub-project and disclosed pursuant to the provisions of the Environmental and Social Management Framework, and the Resettlement Action Plan prepared for its Sub-project and disclosed pursuant to the provisions of the Resettlement Policy Framework, if applicable to this type of Sub-project; (B) provide, promptly as needed, the resources required for the purpose of the Sub-project; (C) procure the goods, works and services to be financed out of the Matching Grant in accordance with Section III of Schedule 2 to this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives; (E) (1) 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, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. The Recipient shall ensure that: (A) the contribution of the Matching Grant to the cost of each proposed Sub-project shall not exceed the maximum amount indicated in the Project Implementing Manual for the relevant type of Sub-projects, except as previously agreed in writing by the Association; (B) the Beneficiary shall contribute the minimum amount indicated in the Project Implementation Manual as contribution, in cash or in kind, for the relevant type of Sub-projects; and (C) the financing of the proposed Sub-project shall be fully covered by the sum of the Matching Grant, the additional Beneficiary's contribution, and, if any, the Recipient's contribution.

4. The Recipient shall exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Matching Grant Agreement or any of its provisions.

D. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project, including without limitation to the generality of the foregoing, each of the Sub-projects, shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan. In particular, the Recipient shall ensure that:

(a) for each Sub-project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan is effectively prepared and locally disclosed, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant Sub-project is implemented in accordance with its Environmental and Social Management Plan; and

(b) for each Sub-project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan is effectively prepared and locally disclosed, in accordance with the provisions of the Resettlement Policy Framework, and the relevant Sub-project is implemented in accordance with its Resettlement Action Plan.

2. Except with the prior written consent of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Environment and Social Management Framework, the Resettlement Policy Framework, or the Pest Management Plan, or any of the Environmental and Social Management Plan or Resettlement Action Plan prepared for specific Sub-projects, if any.

E. Project Manuals

(a) No later than May 29, 2009, the Recipient shall have adopted the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures, each in form and substance satisfactory to the Association.

- (b) The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be carried out in accordance with the provisions of the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures. Without limitation to the foregoing provision, in case of discrepancy or inconsistency between this Agreement on one hand and the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures on the other hand, the provision of this Agreement shall prevail.
- (c) Except with the prior written consent of the Association, the Recipient shall not amend or waive any provision of the Project Implementation Manual or the Project Manual of Financial, Accounting and Administrative Procedures, in a manner which, in the opinion of the Association, could have a material adverse impact on the implementation of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient 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 sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) At completion of the Project, Project supported producers have increased the value of marketed Selected Products by twenty-five per cent on average.
 - (ii) At completion of the Project, the incremental volumes of marketed Selected Products by Project supported producers have reached fifteen per cent on average.
 - (iii) At completion of the Project, the proportion of successful Sub-projects has reached 80%.

(iv) At completion of the Project, at least 2,000 additional irrigated hectares have been established or rehabilitated.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than October 30, 2014.

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 statements for 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 fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
4. No later than three (3) months after the Effective Date, the Recipient shall have recruited an external independent auditor, with terms of reference, qualifications and experience satisfactory to the Association, and selected in accordance with the provisions of Section III of Schedule 2 to this Agreement, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 3 above of this Part B.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods
(a) National Competitive Bidding
(b) Shopping
(c) Community-Based Procurement
(d) Direct Contracting

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 table specifies methods of procurement, other than Quality and Cost-based Selection,

which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Methods
(a) Selection based on Consultant ‘s Qualification
(b) Least- Cost Selection
(c) Individual Consultants
(d) Single Source Selection

- 3. **Shortlist including national consultants only.** The shortlist for the selection of consultants for each contract for consultants’ services estimated to cost less than the equivalent of \$100,000 may include national consultants only, pursuant to paragraph 2.7 of the Consultants Guidelines.

D. Review by the Association of Procurement Decisions

- 1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$300,000 or more, each contract for works estimated to cost the equivalent of \$3,000,000 or more, and each contract for goods or works procured on the basis of Direct Contracting; and (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$200,000 or more, each contract for consultants’ services provided by an individual estimated to cost the equivalent of \$100,000 or more, and each contract for consultants’ services procured on the basis of Single Source Selection. All other contracts shall be subject to Post Review by the Association.
- 2. Each terms of reference for the selection of consultants, without regard for the estimated cost of the proposed contract, shall be subject to the Association’s Prior Review.
- 3. Each proposed amendment of a contract that would have the effect of either raising the initial contract value by fifteen per cent (15%) of the original amount or more, or raising the contract value above the Prior Review threshold, shall in every such case, be subject to the Association’s Prior Review.
- 4. Each Training activity shall be carried out on the basis of annual budgets and programs submitted annually for the prior written approval of the Association.

Said annual budgets and programs shall identify the general framework of the Training and similar activities for the year, and shall include: (a) the type of Training; (b) the purpose of the Training; (c) the personnel to be trained; (d) the institution or individual which will conduct the Training; (e) the location of the Training; (f) the duration of the proposed Training; (g) the outcome and impact of the Training; and (h) the estimated cost of the Training.

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:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works and consultants’ services, including audits, Operating Costs and Training, for the Project, except Matching Grants under Part B (a) of the Project	17,450,000	100%
(2) Matching Grants under Part B (a) of the Project	8,600,000	100% of amount disbursed

(3) Refund of Preparation Advance	450,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	26,500,000	

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 30, 2014.

Section V. Other Undertakings

- A. No later than twenty-four (24) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid-term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association three (3) months prior to the beginning of such mid-term review of the Project, or on such other date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out 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.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 st and October 1 st :	
commencing April 1 st , 2019 to and including October 1 st , 2028	1%
commencing April 1 st , 2029 to and including October 1 st , 2048	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary” means a person eligible to receive a Matching Grant, to whom the Recipient has provided, or proposes to provide, a Matching Grant in accordance with the guidelines and procedures described in the Project Implementation Manual, pursuant to a Matching Grant Agreement.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
6. “Environmental and Social Management Framework” means the Recipient’s document entitled “*Cadre de Gestion Environnementale et Sociale du Projet de Développement des Exportations et des Marchés Agro-Sylvo-Pastoraux (PRODEX)*” prepared by the Recipient’s Ministry responsible for agricultural development and dated November 2008.
7. “Environmental and Social Management Plan” means the Recipient’s document prepared in accordance with the Environmental and Social Management Framework with respect to a Sub-project, that details (i) the measures to be taken during the implementation and operation of the Sub-project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.
8. “Steering Committee” (*Comité Interministériel de Pilotage*) means the Recipient’s steering committee established by decision (*arrêté*) no. 108/MDA of June 27, 2008, or such other committee, with attributions, composition and

resources satisfactory to the Association, as shall have been previously agreed in writing by the Association.

9. “Matching Grant” means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for the purpose of co-financing a Sub-project implemented or to be implemented by a Beneficiary.
10. “Matching Grant Agreement” means an agreement entered into between the Recipient and a Beneficiary for the provision of a Matching Grant.
11. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by the Technical and Fiduciary Coordination Unit (as hereinafter defined), and the national institutions and their decentralized services involved in the Project implementation, management and monitoring, on account of operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, per diem, but excluding the salaries of officials and public servants of the Recipient’s civil service.
12. “Pest Management Plan” means the Recipient’s document entitled “*Plan de Gestion des Pestes et Pesticides du Projet de Développement des Exportations et des Marchés Agro-Sylvo-Pastoraux (PRODEX)*” prepared by the Recipient’s Ministry responsible for agricultural development, and dated November 2008.
13. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on January 17, 2008 and on behalf of the Recipient on February 7, 2008.
14. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 6, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
16. “Program” means the Recipient’s program number 3 of its Rural Development Strategy designed to strengthen professional organizations and support key agro-sylvo-pastoral supply chains.

17. “Project Implementation Manual” means the guidelines and procedures entitled “*Manuel d’Exécution du Projet de Développement des Exportations et des Marchés Agro-Sylvo-Pastoraux*”, prepared by the Recipient’s Ministry responsible for agricultural development and furnished to the Association on February 4, 2009, to be adopted by the Recipient in accordance with Section I, Part E (a) of Schedule 2 to this Agreement, for the implementation of the Project, including in the areas of monitoring and evaluation, coordination, social and environmental safeguards, selection of Sub-projects and provision of Matching Grants, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Project Implementation Manual.
18. “Project Manual of Financial, Accounting and Administrative Procedures” means the guidelines and procedures entitled “*Manuel des Procédures de Gestion Administratives, Financières et Comptables du Projet PIP2*” to be adapted for the implementation of the Project, and adopted by the Recipient in accordance with Section I, Part E (a) of Schedule 2 to this Agreement, and containing financial, administrative and accounting procedures applicable to the Project, as such manual may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Project Manual of Financial, Accounting and Administrative Procedures.
19. “Region” means each of the eight administrative regions of the Recipient’s territory established by law no. 2002-012 of June 11, 2002.
20. “Resettlement Policy Framework” means collectively the Recipient’s document entitled “*Cadre de Politique de Réinstallation des Populations du Projet de Développement des Exportations et des Marchés Agro-Sylvo-Pastoraux (PRODEX)*” prepared by the Recipient’s Ministry responsible for agricultural development and dated November 2008.
21. “Resettlement Action Plan” means the Recipient’s document prepared in accordance with the Resettlement Policy Framework with respect to a Sub-project, which, *inter alia*, (i) contains a census survey of displaced persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with displaced people about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

22. “Rural Development Strategy” means the Recipient’s rural development strategy adopted by Recipient’s Decree No. 2003-310/PRN/MRA dated November 14, 2003, including the action plan for its implementation adopted by Recipient’s Decree No. 2006-291/PRN/MH/LCD dated October 5, 2006.
23. “Selected Products” means onions, cowpeas, gum Arabic, yellow grass nuts (*souchet*), sesame, livestock and animal products, horticulture products, and any other product selected by the Recipient with the prior written agreement of the Association.
24. “Sub-project” means a set of activities financed under Part B (a) of the Project.
25. “Technical and Fiduciary Coordination Unit” means the Recipient’s unit to be established in accordance with Section 5.01(a) of this Agreement for the implementation of the Project, and further described in Section I, Paragraph A (2) of Schedule 2 to this Agreement.
26. “Training” means the training of persons involved in Project-supported activities, based on annual budgets approved by the Association pursuant to Section III (D)(4) of Schedule 2 to this Agreement, such term including seminars, workshops, conference and study tours, and costs associated with such activity include travel and subsistence costs for Training participants, costs of securing the services of trainers, rental of Training facilities, preparation and reproduction of Training materials and other costs directly related to course preparation and implementation.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and

unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility.* The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”