

Public Disclosure Authorized

OFFICIAL DOCUMENTS

GRANT NUMBER D3350-NE

Financing Agreement

(Youth Employment and Productive Inclusion Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Public Disclosure Authorized



GRANT NUMBER D3350-NE

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to twenty million seven hundred thousand Special Drawing Rights (SDR *20.7 million*) (“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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1 and 3 the Project through its MEWSP, and cause Part 2 of the Project to be carried out by the Project Implementing Entity, in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following:
- (a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
 - (b) Any of the payment agencies referred to in Section I.C.2 of Schedule 2 to this Agreement has breached any of its obligations under its applicable agreement with the Recipient or Project Implementing Entity, as applicable, in a manner which, in the opinion of the Association, has or may have an adverse impact on the compliance by the Recipient with its obligations under this Agreement or the Project Implementing Entity with its obligations under the Project Agreement, as applicable, or the implementation of the Project or the achievement of its objective.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has adopted the Administrative, Accounting, and Financial Manual of Procedures for the Project and the Project Implementation Manual, each in form and substance acceptable to the Association.
 - (b) The Recipient has recruited the necessary staffing for the PCU, with terms of reference, qualifications and experience satisfactory to the Association, and including, *inter alia*, a project coordinator, procurement specialist and financial management specialist, such that the PCU is fully functional.
- 5.02. The Effectiveness Deadline is one hundred and twenty (120) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (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 Signature Date.

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ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Recipient's minister responsible for planning.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:
Ministère du Plan
B.P. 862
Niamey
Republic of Niger; and

(b) the Recipient's Electronic Address is:

Facsimile:
227 20725322

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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

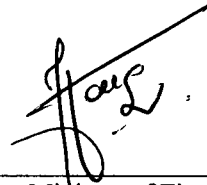
(b) the Association's Electronic Address is:

Facsimile:
1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF NIGER

Approved By:



Ministry of Finance

Name: Massoudou Hassoumi

Title: Minister

Date: June 28th, 2018

Signed By:



Authorized Representative, Ministry of Planning

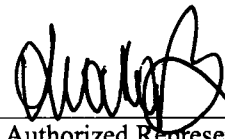
Name: Kané Aïchatou Boulama

Title: Minister

Date: June 28th, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

Signed By:



Authorized Representative

Name: Siaka Bakayoko

Title: Country Manager

Date: June 28th, 2018

SCHEDULE 1

Project Description

The objective of the project is to expand income-generating activities for youths in selected poor areas in the Republic of Niger.

The Project consists of the following parts:

Part 1: Youth productive inclusion in rural areas

Provision of an integrated package of cross-cutting support services to selected local youth groups including, *inter alia*: (a) information and sensitization campaigns on individual aspirations and social norms; (b) support for creation of youth groups and establishment of group-based savings mechanisms; (c) training in life skills; (d) training in micro-entrepreneurship skills; (e) start-up support through provision of Cash Contributions and Stipends; (f) mentoring and coaching including provision of Stipends.

Part 2: Youth insertion in selected activities in semi-urban areas

Provision of an integrated package of support to facilitate youth insertion in selected income-generating activities and trades including, *inter alia*: (a) identification of economic activities; (b) information and sensitization campaigns; (c) technical training and training in life skills and entrepreneurship and support for development of training modules and curricula; and (c) start-up support through provision of Cash Contributions, Stipends and/or provisions of in-kind toolkits and equipment.

Part 3. Institutional Support and Project Management

- 3.1 Support to local employment services for the extension of employment services to the commune level, including through, *inter alia*: (a) support for recruitment and training of local employment agents to ANPE, compensation of such local employment agents for their services provided under Parts 1 and 2 of the Project, and financing of equipment; and (b) establishing a referral and orientations system to help connect youths to relevant programs.
- 3.2 Institutional support to employment sector coordination, through, *inter alia*, support for: (a) overall coordination in the employment sector; (b) operationalization of the national employment strategy; (c) establishment of an inter-sectoral platform for policy discussions on employment; (d) fostering a better

integration of the employment and social protection systems; (e) data collection on employment opportunities; and (f) identifying activities to be supported under Part 2 of the Project.

- 3.3 Support for Project management and implementation, including for fiduciary matters, communication, planning, data collection, monitoring and evaluation, support to the PCU, Steering Committee and the Project Implementing Entity, Operating Costs and Training.

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SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out Parts 1 and 3 of the Project through its MEWSP, and shall maintain the following functions throughout Project implementation, all with functions, compositions, terms of reference, resources and staffing satisfactory to the Association:
 - (a) the Steering Committee, to be responsible for, *inter alia*, providing strategic guidance and ensuring multi-sectoral collaboration, as further set forth in the PIM; and
 - (b) the PCU, to be responsible for, *inter alia*, day-to-day implementation of the Project, including management, coordination, performance monitoring and evaluation, documentation of Project progress and results, and supervision of Project implementation, Project fiduciary, procurement, disbursement, and monitoring and evaluation, all as further set forth in the PIM.
2. The Recipient shall: (a) coordinate with its various agencies, departments, and bodies, including ANPE, as required for Project implementation; (b) shall ensure that it puts in place mechanisms and/or documentation to ensure the collaboration of such agencies, departments and bodies with the PCU and Project Implementing Entity as required during Project implementation; and (c) shall ensure that appropriate legal arrangements, or such other arrangements as the Association may otherwise agree, are entered into with local employment agents, local village agents, village coaches and non-governmental organizations involved in Project implementation, all in accordance with the Project Manuals, and the Procurement Regulations.
3. The Recipient shall no later than six (6) months after the Effective Date:
 - (a) through MWESP, have hired an internal auditor, satisfactory to the Association, for the Project;
 - (b) through MWESP, have hired an independent external auditor, satisfactory to the Association;
 - (c) through MWESP, have hired an accountant, satisfactory to the Association, for the Project.

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- (d) have acquired, installed and customized a computerized accounting software, satisfactory to the Association,

all as further set forth in the PIM.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 2 of the Project by the Project Implementing Entity, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Categories 3 and 4 of the table set forth in Section III.A.2 of this Schedule available to the Project Implementing Entity under the Subsidiary Agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the following provisions:
2. (a) the obligation of the Recipient to:
 - (i) make the funds of Categories 3 and 4 available to the Project Implementing Entity in the form of a non-reimbursable grant; and
 - (ii) take all actions necessary to permit the Project Implementing Entity to carry out the Project Implementing Entity's Respective Part of the Project and ensure the achievement of the objective thereof;
- (b) the obligation of the Project Implementing Entity to:
 - (i) carry out the Project Implementing Entity's Respective Part of the Project in accordance with this Agreement, the Project Agreement, the Subsidiary Agreement, the Project Manuals, the Anti-Corruption Guidelines, the Procurement Regulations, and the Annual Work Plans and Budgets;
 - (ii) promptly refund to the Recipient for further refund to the Association any proceeds from the Financing not used for purposes of carrying out the Project Implementing Entity's Respective Part of the Project or for achieving the objective thereof, or otherwise utilized in a manner inconsistent with the provisions of this Agreement or the Project Agreement;
 - (iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of the Project Implementing Entity's Respective Part of the Project and the achievement of the objective thereof, and the Project Implementing Entity's performance of its obligations under

the Project Agreement, the Subsidiary Agreement, the Project Manuals, the Annual Work Plans and Budgets, the Anti-Corruption Guidelines, and the Procurement Regulations; and

- (iv) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project Implementing Entity's Respective Part of the Project and the achievement of the objective thereof; and
 - (c) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the Project Manuals, on one hand, and those set forth in this Agreement and the Project Agreement, on the other hand, the provisions of this Agreement and the Project Agreement shall prevail.
3. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary 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 the Subsidiary Agreement or any of its provisions.

C. Cash Contribution, Stipends and Payment Agents

1. The Recipient, and the Project Implementing Entity, as applicable, shall make Cash Contributions and/or Stipends to Eligible Beneficiaries in accordance with eligibility and selection criteria and procedures and transaction mechanisms and using appropriate documentation, acceptable to the Association and set forth in the PIM and the Administrative, Accounting, and Financial Manual of Procedures, such criteria to include, *inter alia*, the following:
- (a) for payment of the first tranche of a Cash Contribution, confirmation that the Eligible Beneficiary has participated in the required training activities under the Project, such confirmation to be made by: (i) in the case of Cash Contributions under Part 1 of the Project, local employment agents recruited under Part 3 of the Project; or (ii) in the case of Cash Contributions under Part 2 of the Project, the Project Implementing Entity's local representatives, all as further set forth in the Project Manuals; and
 - (b) for payment of the second tranche of a Cash Contribution, confirmation that the Eligible Beneficiary has made satisfactory progress in setting up their selected income-generating activity, such confirmation to be made by: (i) in the case of Cash Contributions under Part 1 of the Project, local employment agents recruited under Part 3 of the Project; or (ii) in the case of Cash Contributions under Part 2 of the Project, the Project

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Implementing Entity's local representatives, all as further set forth in the Project Manuals.

2. For the purpose of making: (a) payments of Cash Contributions to Eligible Beneficiaries; and (b) awarding Stipends, the Recipient and the Project Implementing Entity, as applicable, shall conclude and thereafter implement one or more service agreements, in form and substance satisfactory to the Association, with a financial institution, microfinance institution or agency or other entity acceptable to the Association, each duly authorized to operate and operating in the Recipient's territory, to act as a payment agency for making payments of Cash Contributions to Eligible Beneficiaries and awarding Stipends; each such institution, agency or entity shall be selected on the basis of criteria, terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of the PIM and the Administrative, Accounting, and Financial Manual of Procedures, and each such service agreement shall be submitted to the Association for its prior review and approval.

D. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare, shall cause the Project Implementing Entity to prepare and furnish to the Recipient, and shall submit to the Steering Committee and then to the Association for approval, a draft annual work plan (including Training, Stipends and Operating Costs), and budget for the Project, for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall furnish to the Association, as soon as available, but in any case, not later than November 30 of each year, the annual work plans and budgets, for their review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an "Annual Work Plan and Budget") are eligible to a financing from the proceeds of the Financing.
3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior approval.

E. Project Manuals

1. (a) The Recipient shall carry out Parts 1 and 3 of the Project and cause the Project Implementing Entity to carry out Part 2 of the Project in accordance with the Project Manuals;
- (b) the Project Implementation Manual and Administrative, Accounting, and Financial Manual of Procedure, as applicable, shall set forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, *inter alia*:
 - (i) a detailed description of Project, institutional arrangements and responsibilities for implementing the Project;
 - (ii) the operating procedures governing activities under the Project, including, *inter alia*, preventive environmental guidelines (including routine measures on risk identification and management by type of activities and guidelines for supervision and monitoring); eligibility and selection criteria for Eligible Beneficiaries for Cash Contributions and recipients of Stipends, and transaction processes related to the Cash Contributions and Stipends; and guidelines for selection, approval, implementation, monitoring and evaluation of activities, Cash Contributions and Stipends;
 - (iii) a code of conduct consistent with gender and youth-based violence protocols to be factored into the contracts of any contractors/sub-contractors, consultants, local employment agents or local agents hired by the Recipient, to carry out activities under the Project;
 - (iv) monitoring, evaluation (including Project monitoring indicators), reporting, and governance procedures for the Project; and
 - (v) disbursement, financial management, auditing and procurement procedures for the Project; and
- (c) the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, the Administrative, Accounting, and Financial Manual of Procedures or any provision thereof, nor shall the Recipient permit the Project Implementing Entity to do so, if such assignment, amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

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2. In the event of any conflict between the provisions of the Project Manuals and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, and consulting services, Training and Operating Costs for Parts 1 and 3 of the Project	9,500,000	100%
(2) Cash Contributions and Stipends for Part 1 of the Project	4,900,000	100%
(3) Goods, non-consulting services, and consulting services, Training and Operating Costs for Part 2 of the Project (except Part 2(c))	3,500,000	100%
(4) Cash Contributions, Goods and Stipends for Part 2 (c) of the Project	2,000,000	100%
(5) Refund of Preparation Advance	800,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
TOTAL AMOUNT	20,700,000	



B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is June 30, 2023.

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APPENDIX

Definitions

1. “Administrative, Accounting, and Financial Manual of Procedures” means the administrative, accounting, and financial manual of procedures referred to in Section I.E of Schedule 2 to this Agreement, prepared and adopted by the Recipient in accordance with the provisions of Section 5.01(a) of this Agreement, containing administrative, accounting and financial procedures for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
2. “ANPE” means *Agence Nationale Pour la Promotion de l’Emploi (ANPE)*, an autonomous public legal entity established by the Recipient under Decree no. 2017-798/PRN/MET/PS and operating in accordance with its governing documents adopted by the Recipient by Decree no. 2018-226/PRN/ME/T/PS.
3. “Annual Work Plans and Budgets” means the annual work plans and budgets for the implementation of the Project approved by the Association, referred to in Section I.D of Schedule 2 to this Agreement.
4. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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.
5. “Cash Contribution” means a cash contribution to be made by the Recipient, or Project Implementing Entity, as applicable, to an Eligible Beneficiary out of the proceeds of the Financing, in accordance with the provisions of the Project Manuals, for the purpose of financing start-up support for selected economic activities under Parts 1 or 2 of the Project, as applicable.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “Eligible Beneficiary” means a youth or groups of youth, selected in accordance with the criteria and processes specified in the Project Manuals for being eligible to receive a Cash Contribution.
8. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017.

9. “MEWSP” means the Recipient’s ministry responsible for employment, work and social protection and includes any successor thereto.
10. “Operating Costs” means the incremental expenses incurred by the PCU and the Project Implementing Entity, based on the Annual Work Plans and Budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
11. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on January 4, 2018, and on behalf of the Recipient on January 16, 2018, (Advance No. V1530).
12. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.
13. “Project Coordination Unit” and “PCU” means the unit referred to in Section I.A.1 (b) of Schedule 2 to this Agreement to be established by the Recipient in accordance with Section 5.01(c) of this Agreement.
14. “Project Implementation Manual” or “PIM” means the project implementation manual referred to in Section I.E of Schedule 2 to this Agreement, prepared and adopted by the Recipient in accordance with the provisions of Section 5.01(a) of this Agreement, setting out implementation, organizational, monitoring and evaluation (including Project monitoring indicators), environmental and social monitoring and mitigation, fiduciary and targeting mechanisms, as the same may be amended from time to time, and such term includes any annexes or schedules to such manual.
15. “Project Implementing Entity” means *Fonds d’Appui à la Formation Professionnelle et à l’Apprentissage (FAFPA)*, a public autonomous not for profit legal entity established pursuant to the Project Implementing Entity’s Legislation.
16. “Project Implementing Entity’s Legislation” means the Recipient’s Decree No. 2015-565-PRN-MEP/T dated October 26, 2015.
17. “Project Implementing Entity’s Respective Part of the Project” means Part 2 of the Project.

18. "Project Manuals" means, collectively, the Project Implementation Manual and the Administrative, Accounting, and Financial Manual of Procedures.
19. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
20. "Steering Committee" means the Recipient's committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement, to be established in accordance with Section 5.01(b) of this Agreement.
21. "Stipend" means reasonable incidental costs, based on Annual Work Plans and Budgets, to: (a) compensate village coaches for providing mentoring and support to youths under Part 1(f) of the Project; or (b) help youth meet the cost of transportation and basic necessity for survival during participation in training under Part 1 and 2 of the Project, as applicable.
22. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity.
23. "Training" means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets as approved by the Association, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.