

CONFORMED

CREDIT NUMBER 4893-NE

Financing Agreement

(Urban Water and Sanitation Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 12, 2011

CREDIT NUMBER 4893-NE

FINANCING AGREEMENT

AGREEMENT dated May 12, 2011, 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 fifty-seven million seven hundred thousand Special Drawing Rights (SDR 57,700,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 15 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 objective of the Project. To this end, the Recipient shall carry out Part 2 (Urban Sanitation) of the Project through DAB, and Part 3 (Institutional Strengthening and Capacity Building) of the Project through the Project Coordination Unit, in both cases in accordance with the provisions of Article IV of the General Conditions, and cause Part 1 (Urban Water Supply) of the Project to be carried out by the Project Implementing Entity, in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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 Events of Suspension consist 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) The Lease Contract has been amended, suspended, abrogated, repealed or waived or, after its expiration, a new lease contract has been entered into, but the form or substance of said new lease contract is not acceptable to the Association.
 - (c) The Concession Contract has been amended, suspended, abrogated, repealed or waived or, after its expiration, a new concession contract has been entered into, but the form or substance of said new concession contract is not acceptable to the Association.
- 4.02. The Additional Event of Acceleration consists of the following, namely that any 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 Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
 - (b) The Project Implementation Manual and the Manual of Procedures have each been adapted for the Project in form and substance satisfactory to the Association.
 - (c) The Recipient has recruited a procurement specialist for the Project, to be posted in the PCU, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized by the Recipient and the Project Implementing Entity, and all formalities have been completed to ensure that it is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. 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 responsible for planning.

6.02. The Recipient's Address is:

Ministère du Plan, de l'Aménagement du Territoire et du Développement
Communautaire
B.P. 862
Niamey
Republic of Niger

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

REPUBLIC OF NIGER

By //s// Amadou Boubacar Cisse

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Ousmane Diagana

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase access to sustainable water supply services and to improved sanitation services in some urban areas in the Recipient's territory.

The Project consists of the following parts:

Part 1. Urban Water Supply

Expanding access and sustainability of water services, through:

- (a) In Niamey: (i) the construction of a 2,000 m³ water storage; (ii) the expansion of distribution networks by approximately 204 km; and (iii) the construction of approximately 28,600 Social Connections and 130 standposts;
- (b) In three selected cities (Agades, Arlit and Tahoua): (i) the construction of approximately 23 groundwater boreholes, the laying of a 25-km transmission pipe and the construction of three water storage tanks; (ii) the expansion of distribution networks by approximately 205km; and (iii) the construction of approximately 5,000 Social Connections and 141 standposts;
- (c) In secondary centers: (i) the construction of one small treatment unit and the rehabilitation of two elevated water storage tanks; (ii) the construction of approximately 20 groundwater boreholes and the laying of 10-km of transmission pipes; (iii) the expansion of water distribution networks by approximately 180 km; and (iv) the construction of approximately 3,500 Social Connections and 182 standposts; and
- (d) The supply and installation of treatment facilities in five towns where the quality of ground water does not comply with standards.

Part 2. Urban Sanitation

- (a) Development of sanitation infrastructure, through the construction in Niamey and/or Dosso of approximately: (i) (A) 23,500 household latrines, and (B) 5,000 hand-washing and soakaway facilities; (ii) 20 public sanitation facilities; (iii) 2,000 school latrines; and (iv) one sludge treatment facility;
- (b) Design and implementation of information, education and communication campaigns for outreach and demand management for on-site sanitation programs; and

- (c) Provision of technical assistance for: (i) the preparation of bidding documents and supervision of works for the sludge treatment facility; and (ii) the management of the implementation of Part 2(a) of the Project and the training of masons and contractors.

Part 3. Institutional Strengthening and Capacity Building

Provision of technical assistance and resources for: (i) the strengthening of the institutions involved in the urban water sub-sector, (ii) the management of the environmental and social aspects of the Project, but specifically excluding the provision of land (including compensation for land acquisition), cash compensation and other assistance paid in cash for involuntary resettlement; (iii) the building of capacity and the provision of support to the agencies in the MEELCD participating in the implementation of the Project; and (iv) Project management and coordination.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

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

1. The Steering Committee shall have the overall oversight of the Project, and shall ensure coordination between the various Project stakeholders. It shall include, *inter alia*, representatives the Recipient's ministries responsible, respectively, for water and environment, finance, public health, power, national education, urban planning and habitat, interior, decentralization, and the Project Implementing Entity.
2. The PCU shall be responsible for coordination of the Project's activities and management of the Project, in accordance with the implementation arrangements described or referred to in the Agreement and the Project Implementation Manual.
3. The Project Implementing Entity shall implement Part 1 of the Project (the "Project Implementing Entity's Respective Part of the Project"). The DAB shall implement Part 2 of the Project. The PCU shall implement Part 3 of the Project.
4. The Recipient shall ensure that personnel in adequate numbers, each with terms of reference, qualifications and experience satisfactory to the Association, are assigned to the Project.
5. Without limitation to the provisions of paragraph 4 above, no later than three (3) months after the Effective Date, the Recipient has recruited a financial management specialist for the Project, to be posted in the PCU, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project Implementing Entity's Respective Part of the Project, the Recipient shall make the part of the proceeds of the Financing allocated from time to time to Category 1 available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the

Association (“Subsidiary Agreement”), which shall include the following provisions:

- (a) the obligation of the Recipient to:
 - (i) make the funds of Category 1 available to the Project Implementing Entity by *pari passu* disbursements as follows: (A) up to 50% of the funds allocated to Category 1, in the form of a credit denominated in CFA Francs and repayable over thirty (30) years, including a grace period for the repayment of principal of ten (10) years, and with a 1.8% per annum interest rate, and (B) the balance of the funds allocated to Category 1 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 Lease Contract, the Concession Contract, the Project Implementation Manual, the Manual of Procedures, the Anti-Corruption Guidelines, the Annual Work Plans and Budgets and the Safeguard Documents;
 - (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 Implementation Manual, the Manual of Procedures, the Annual Work Plans and Budgets, the Anti-Corruption Guidelines and the Safeguard Documents; 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, the Project Implementation Manual or the Manual of Procedures, 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 at all times prevail.
- 2. The Recipient shall exercise its rights 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. Service Agreement

- 1. To facilitate the carrying out of Part 2 of the Project, the Recipient (through the DAB) shall enter into a service agreement between the Recipient and a service provider ("Service Provider"), selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of this Schedule, under terms and conditions approved by the Association ("Service Agreement").
- 2. The Recipient shall obtain rights adequate to protect the interests of the Recipient and the Association, including the right to require the Service Provider to:
 - (a) carry out its activities under the Part 2 of the 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, the Project Implementation Manual, the Manual of Procedures and the Safeguard Documents;
 - (b) maintain policies and procedures, adequate to enable the Service Provider to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities carried out under Part 2 of the Project and the achievement of its objectives;
 - (c) (i) 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 activities carried out under Part 2 of the Project; and (ii) 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 furnish promptly to the Recipient and the Association the financial statements as so audited;

- (d) for the purpose of implementing Part 2(a)(i) of the Project: (i) enter into contracts for the construction of latrines, hand washing and soakaway facilities for households ; and (ii) enter into agreements in the form of the model attached to the Manual of Procedures, with said households, for the provision of said latrines, hand washing or soakaway facilities, subject to a minimal contribution from the household, as further described in the Manual of Procedures; and
 - (e) enable the Recipient and the Association to inspect the activities carried out under Part 2 of the Project, their operation and any relevant records and documents; and 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 exercise its rights under the Service 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 Service Agreement or any of its provisions.

D. Anti-Corruption

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

E. Safeguards.

- 1. The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework and the Resettlement Policy Framework. In particular, the Recipient shall ensure that:
 - (a) for each activity under the Project of a type 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, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant

activity is implemented in accordance with its Environmental and Social Management Plan; and

- (b) for each activity under the Project of a type for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.
2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit the Project Implementing Entity to do so.
 3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, or shall cause the Project Implementing Entity to, regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.
 4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

F. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare, and cause the Project Implementing Entity to prepare and furnish to the Recipient: (i) a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested; as well as (ii) the Safeguard Documents which may be required for the implementation of the activities included in the draft annual work plans and budgets.
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 and Safeguard Documents referred to in subparagraph (a) above, for their review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, and the Safeguard Documents which may be required for the implementation of the activities included in the draft annual work plan and budget for such period, 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. The Recipient shall cause the Project Implementing Entity to thereafter carry out the Project in accordance with the Annual Work Plans and Budgets.
5. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior approval.

G. Manuals

1. (a) The Recipient shall carry out Parts 2 and 3 of the Project and cause the Project Implementing Entity to carry out Part 1 of the Project in accordance with the Project Implementation Manual and the Manual of Procedures; and (b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual or the Manual of Procedures, or any provision thereof, nor shall the Recipient permit the Project Implementing Entity to do so.
2. In the event of any conflict between the provisions of the Project Implementation Manual or the Manual of Procedures and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
2. Twenty-four (24) months after the Effective Date, the Recipient shall, in conjunction with the Association and the Project Implementing Entity, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. The Recipient shall prepare, and cause the Project Implementing Entity to prepare for the Project Implementing Entity’s Respective Part of the Project and furnish to the Association not less

than one (1) month prior to the beginning of the Mid-term Review, 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. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

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 reports 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. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage auditors for the purpose not later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.
5. Without limitation to the provisions of paragraph 1 above, no later than three (3) months after the Effective Date, the Recipient shall ensure that the PCU's accounting software has been adapted for the Project in a manner satisfactory to the Association.

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) Quality Based Selection
(b) Selection on the Basis of a Fixed Budget
(c) Least Cost Selection
(d) Selection Based on the Consultant's Qualifications
(e) Selection of Individual Consultant
(f) Single Source Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

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 Training for Part 1 of the Project	43,500,000	100 %
(2) Goods, works and consultants' services, including Training for Part 2 of the Project	11,050,000	100 %
(3) Goods, works and consultants' services, including Operating Costs, Training and audits, for Part 3 of the Project	2,600,000	100 %
(4) Refund of Preparation Advance	550,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	57,700,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) under Category 2 until the Service Agreement referred to in Section I.C of Schedule 2 to this Agreement has been entered into in form and substance satisfactory to the Association.
2. The Closing Date is December 31, 2015.

Section V. Other Undertakings

1. The Recipient shall take all necessary measures, including any necessary water supply tariffs revisions, to allow the Project Implementing Entity to restore no later than December 31, 2012 and thereafter maintain Financial Equilibrium in the urban water sub-sector.
2. Without prejudice to the generality of paragraph (1) above, the Recipient shall, not later than July 31 of each year, commencing July 31, 2011, review the Project Implementing Entity's updated financial projections and take all necessary measures, including readjustment of annual tariff as necessary to permit the restoration or maintenance of the Financial Equilibrium.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing May 15, 2021 to and including November 15, 2030	1%
commencing May 15, 2031 to and including November 15, 2050	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

Definitions

1. “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.F.2 of Schedule 2 to this Agreement and in Section I.C of the Schedule to the Project Agreement.
2. “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 and revised in January 2011.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CFA Francs” means Francs of the African Financial Community, the currency having legal tender on the Recipient’s territory.
5. “Concession Contract” means the contract entitled “*Contrat de concession de travaux publics et de gestion du patrimoine de l’hydraulique urbaine*” entered into on March 20, 2001 between the Recipient and the Project Implementing Entity for holding and developing urban water supply assets.
6. “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 and May 2010.
7. “DAB” means *Direction de l’Assainissement de Base*, the Recipient’s directorate in the MEELCD responsible for sanitation.
8. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.
9. “Environmental and Social Management Framework” means the Recipient’s document entitled “*Cadre de Gestion Environnementale et Sociale (CGES) – Rapport Final*” and dated January 2011 detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

10. “Environmental and Social Management Plan” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity included under an Annual Work Plan and Budget, that details: (i) the measures to be taken during the implementation and operation of such activity 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.
11. “Financial Equilibrium” means the situation where the Net Cash Balance at the end of year *n* is positive or equal to zero. For the purpose of this definition, “Net Cash Balance” at the end of year *n* means the net cash balance at the beginning of year *n*, plus the Net Cash Flow (positive or negative) for year *n*; and “Net Cash Flow” for year *n* means the sum of the net operating cash flow, plus any additional external financing (grants, subsidies, increases in equity capital and drawings under loans of more than one year) received during year *n*, less the Variation in Net Working Capital Requirements, the repayments of loans of more than one year, and the investments for that year; and “Variation in Net Working Capital Requirements” means the variation of current assets excluding cash minus the variation in current liabilities for year *n*.
12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
13. “km” means kilometers.
14. “Lease Contract” means the contract entitled “*Contrat d’affermage du service public de la production, du transport et de la distribution d’eau potable en zone urbaine et semi-urbaine*” entered into on March 20, 2001 between the Recipient, the Project Implementing Entity and SEEN for the delivery of urban water services.
15. “m³” means cubic meters.
16. “Manual of Procedures” means the manual of procedures entitled “*Manuel d’exécution de la composante projet pilote d’assainissement des quartiers périurbains*” and dated June 2001, adapted for Part 2 of the Project in accordance with Section 5.01 (b) of this Agreement, as amended from time to time in a manner acceptable to the Association.
17. “MEELCD” means *Ministère de l’Eau, de l’Environnement et de la Lutte contre la Désertification*, the Recipient’s ministry responsible for water and sanitation.
18. “Mid-Term Review” means the review referred to in Section II.A.2 of Schedule 2 to this Agreement.
19. “Operating Costs” means the incremental expenses incurred by the PCU, 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 office supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related 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.

20. "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 and the Recipient on January 10, 2011.
21. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006 and May 2010.
22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 24, 2011 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.
23. "Project Agreement" means the agreement of even date herewith entered into between the Association and the Project Implementing Entity with respect to the implementation of the Project.
24. "Project Coordination Unit" or "PCU" means the Recipient's unit established in MEELCD by the Recipient's decision no. 0134/MEE/LCD/SG dated November 15, 2010.
25. "Project Implementation Manual" means the project implementation manual which include: (i) the manual entitled "*Manuel de Mise en Œuvre du Projet et Table des Matières du Manuel*" and dated February 2000, and (ii) the manual entitled "*Manuel des Procédures Administratives et Financières du PSE*" dated August 2001, each as adapted for the Project in accordance with Section 5.01 (b) of this Agreement, as amended from time to time in a manner acceptable to the Association.
26. "Project Implementing Entity" means *Société de Patrimoine des Eaux du Niger* (SPEN), a state enterprise established and operating pursuant to the Project Implementing Entity's Legislation.
27. "Project Implementing Entity's Legislation" means Recipient's law no. 2000-12 dated August 14, 2000 for the establishment and operation of *Société de Patrimoine de l'Eau du Niger*.

28. “Resettlement Action Plan” means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an Annual Work Plan and Budget, which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of their assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons 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.
29. “Resettlement Policy Framework” means the Recipient’s document entitled “*Cadre de Politique de Réinstallation des Populations (CPRP) – Rapport Final*” and dated January 2011 containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.
30. “Safeguard Documents” means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under the Project, if any.
31. “SEEN” means *Société d’Exploitation des Eaux du Niger*, a private corporation established established pursuant to *Acte notarial d’enregistrement au Registre du Commerce sous le No. RCCM 6022*, dated March 7, 2001.
32. “Service Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement.
33. “Service Provider” means the service provider referred to in Section I.C of Schedule 2 to this Agreement.
34. “Social Connection” means a connection of a household to the water supply network completed under conditions described in the Project Implementation Manual.
35. “Steering Committee” means the steering committee established by the Recipient’s decision 0135/MEE/LCD/SG dated November 15, 2010.
36. “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.
37. “Training” means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets, 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.