

Public Disclosure Authorized

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CREDIT NUMBER 4343-MLI

Financing Agreement

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

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 26, 2007

Public Disclosure Authorized

CREDIT NUMBER 4343-MLI

FINANCING AGREEMENT

AGREEMENT dated July 26, 2007, entered into between the REPUBLIC OF MALI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS:

(A) The Recipient is a member of the Niger Basin Authority (also referred to herein as the Project Implementing Entity), an international organization established among its Member States (as hereinafter defined) by Convention of establishment dated October 29, 1987.

(B) By resolution of its Council of Ministers dated February 16, 2002, the Project Implementing Entity has engaged in the Shared Vision Process and the preparation of the Niger Basin Sustainable Development Action Plan (the Program), to be implemented in several successive phases, in order to develop the basin’s natural resources with a view to generate in an equitable manner as much benefit as possible for all its Member States and their populations.

(C) The Project Implementing Entity has adopted by resolution of its Council of Ministers dated September 14, 2006, its program of activities 2007 for the implementation of the Program.

(D) The Project Implementing Entity has requested support from its Member States for the implementation of the Program, and from its Member States, the Association and other donors for its financing.

(E) The Republic of Benin, the Republic of Guinea, the Republic of Niger, the Federal Republic of Nigeria and the Recipient, have requested from the Association financial support, to be passed on as a grant to the Project Implementing Entity pursuant to subsidiary agreements to be entered into with the Project Implementing Entity, for the financing of the activities included in the first phase of the Program, which will be carried out: (i) regionally or directly on their respective territory, and (ii) by the Project Implementing Entity directly, or under its supervision (collectively, the Project, as hereinafter further defined).

(F) In addition to the Financing provided under this Financing Agreement for the financing of the Mali Project Activities, (i) a financing in an amount of SDR 6,000,000 to the Republic of Benin for the financing of the Benin Project Activities (as such term is defined in the Financing Agreement with the Republic of Benin); (ii) a financing in an amount of SDR 6,000,000 to the Republic of Guinea for the financing of the Guinea Project Activities (as such term is defined in the Financing Agreement with

the Republic of Guinea); (iii) a financing in an amount of SDR 9,900,000 to the Republic of Niger for the financing of the Niger Project Activities (as such term is defined in the Financing Agreement with the Republic of Niger); and (iv) a financing in an amount of SDR 88,600,000 to the Federal Republic of Nigeria for the financing of the Nigeria Project Activities (as such term is defined in the Financing Agreement with the Federal Republic of Nigeria).

(G) The Project Implementing Entity shall enter into service agreements with various national agencies or entities for the execution of selected activities under Parts 2 and 3 of the Project.

(H) Pursuant to an agreement between the Association and the Project Implementing Entity, the Project Implementing Entity has undertaken certain obligations to the Association with respect to the execution of the Project.

NOW THEREFORE, 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 eleven million nine hundred thousand Special Drawing Rights (SDR 11,900,000) (variously, “Credit” and “Financing”) to assist in financing Part (1), Part (2) (c) (ii), Part (3) (b) (iii), (c), (d) (i) (C), (d) (ii)(A) and (D), and (d) (iii) (collectively referred to as the “Mali Project Activities”) of 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. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section shall be the Executive Secretary (*Secrétaire Exécutif*) of the Project Implementing Entity.

- 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 March 1 and September 1 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 cause the Mali Project Activities to be carried out by, or under the supervision of, 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 Mali Project Activities are 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:

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.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

- (a) The Subsidiary Agreement has been signed between the Recipient and the Project Implementing Entity.
- (b) The Project Implementing Entity has established a computerized information system for the financial management and procurement of the Project (including software customization, adoption of the Project Manual of Financial, Accounting and Administrative Procedures in form and substance satisfactory to the Association, training in procurement and financial management and short term assistance), in a manner satisfactory to the Association.
- (c) The Project Implementing Entity has recruited an external auditor for the Project with terms of reference, qualifications and experience satisfactory to the Association.
- (d) The Project Implementing Entity has revised the decision of its Council of Ministers no. 00050 for the creation, attributions and organization of the Steering Committee for the GEF Niger River Basin Project and the Niger River Basin Watershed Management Program dated July 5, 2005, in form and substance satisfactory to the Association, and has recruited a Regional Coordinator for the Project, with terms of reference, qualification and experience satisfactory to the Association.
- (e) The Project Implementing Entity has entered into a service agreement, in form and substance satisfactory to the Association, with the National Implementing Entity, for the execution of the activities of Parts 2 and 3 of the Mali Project Activities.

5.02. The Additional Legal Matter consists of the following:

- (a) The Subsidiary Agreement has been duly executed by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- (b) The service agreement, referred to in Section 5.01 (e) above, has been duly executed by the National Implementing Entity 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. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Minister responsible for Finance.

- 6.02. The Recipient's Address is:

Ministry of Economy and Finance
BP. 234, Bamako
Republic of Mali

Facsimile:

(223) 222 88 53
with copy to (223) 222 0793

- 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) or
64145 (MCI)

1-202-477-6391

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

REPUBLIC OF MALI

By /s/ Général Toumani Sissoko

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Nils O. Tcheyan

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to enhance regional coordination, development and sustainability of water resources management in the Niger River Basin.

The Project constitutes part of the water and environment components of the Program, and consists of the following parts:

Part 1: Institutional strengthening and capacity building

- (a) Strengthening and capacity building of the Project Implementing Entity, including through: (i) reinforcing its administrative and management skills to set up an overall performance evaluation system; (ii) strengthening its communication and practices for sharing information, knowledge and experience, implementing its communication's strategy and reinforcing its information technology; (iii) updating and implementing its capacity building program; and (iv) supporting the management and supervision of Project's activities.
- (b) Strengthening and capacity building of national water resources management institutions, including through strengthening the Project Implementing Entity's National Focal Structures and training staff.
- (c) Support to the establishment and institutional strengthening of regional water resources management and planning, including through: (i) supporting the establishment of a Regional Consultative Group to build a participatory consensus on water infrastructure development in the Niger Basin; (ii) preparing regional guidelines for the management of water infrastructure; (iii) providing an Independent Panel of Experts to support the Regional Consultative Group; (iv) supporting the creation of a Permanent Technical Commission as a regulatory water management mechanism in the Niger Basin; (v) establishing sub-basin commissions to apply the required subsidiary principles to implement the Niger Basin Sustainable Development Action Plan; (vi) preparing a Niger Basin regional environmental code; (vii) preparing legal instruments for common guarantee of water infrastructure, joint management of infrastructures, dispute resolution, and arbitration enforcement; and (viii) supporting the implementation of the Niger Basin Water Charter.

Part 2: Rehabilitation, optimization and development of regional infrastructure

- a) Rehabilitation of the Kainji dam and hydropower plant in Nigeria, including: (i) rehabilitation and harmonization of productive electromechanical equipments; (ii) rehabilitation of auxiliary services; (iii) rehabilitation of the navigation lock; (iv) upgrading instrumentation and monitoring equipments; (v) improvement of

the flood warning systems and development of a decision support and management system.

- b) Rehabilitation of the Jebba hydropower dam in Nigeria, including: (i) rehabilitation of electro-mechanical equipments; (ii) rehabilitation of auxiliary services; (iii) improvement of civil works and rehabilitation of upper navigation lock; (iv) upgrading of instrumentation and monitoring equipment; (v) prevention of tree invasion; and (vi) reinforcement of the maintenance workshops.
- c) Assessing optimization and management options for the development of regional water infrastructure, including: (i) complementary studies for the Fomi dam in Guinea; (ii) complementary studies for the Taoussa dam in Mali; (iii) complementary studies for the Kandadji dam in Niger; and (iv) feasibility and detailed engineering studies for the Zungeru dam in Nigeria.

Part 3: Sustainable management of selected degraded ecosystems and rehabilitation of small water infrastructure

- (a) Rehabilitation and diversification of small dams, including: (i) rehabilitation of small dams in Benin and diversification of agricultural activities; and (ii) rehabilitation of small dams in Niger, including development for horticulture, irrigated vegetables, livestock and their marketing.
- (b) Rehabilitation and extension of small irrigation schemes, including: (i) rehabilitation of irrigation schemes in Niger through irrigation and drainage restoration and development of flood and silt protections; (ii) development of small irrigation schemes in Benin; and (iii) development of recessional agriculture in Mali and marketing of agricultural production.
- (c) Support to the development of traditional fisheries, in Mali and Niger including: (i) promoting sustainable fishing practices and fish production processing; (ii) upgrading technology to enhance the livelihoods of fishermen (training and equipment such as nets, boats, ovens, processing and storage facilities); (iii) supporting co-management of fishery activities in selected areas; (iv) institutional strengthening and capacity building for sustainable development of fishery activities; and (v) developing local fishery management plans and marketing of fishery production.
- (d) Watershed Restoration and agro-forestry:
 - (i) Integrated development of lowland areas (bas-fonds), including: (A) developing a plan for watershed management in Guinea; (B) supporting afforestation of key vulnerable and degraded areas in Benin, Guinea, and Niger; (C) identifying key areas suitable for local income generation activities based on land suitability and water conditions in Benin, Guinea and Mali; and (D) training

in appropriate agricultural practices for watershed management in Benin, Guinea, and Niger.

(ii) River banks stabilization and erosion control, including: (A) river bank stabilization in Mali and sediment flow control in selected *Koris* in Niger; (B) sand dunes stabilization in selected *Dallols* in Niger; (C) restoration and afforestation of degraded slopes and plateaus in Niger; and (D) community training in Benin, Guinea, Mali and Niger.

(iii) Restoration of pastureland ecosystems, in Mali, including: (A) developing management plans for *Bourgou* production and regeneration; and (B) supporting community participation and management of *Bourgou* including effective management of proceeds and provision of appropriate tools.

(iv) Forestry protection and development of agro-forestry, in Benin and Guinea, including: (A) designing community plans for sustainable development and management of forest and forestation activities; (B) supporting afforestation of degraded hot spots areas; (C) introducing seedling nurseries; and (D) community organizations training.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall take all actions needed or required on its part for the following implementation arrangements to be established and maintained throughout Project implementation:

- (a) At the Project Implementing Entity level:
 - (i) The Project Implementing Entity's *Regional Steering Committee* shall give overall guidance to the Project Implementing Entity and the National Focal Structure, formally review progress and approve Project's annual action plans;
 - (ii) The Project Implementing Entity's Technical Direction ("*Direction Technique*") shall be responsible for the overall supervision of the Project; and
 - (iii) The Project Implementing Entity's *Niger Basin Observatory* shall be responsible for monitoring and evaluation of the Project's activities, in collaboration with the National Implementing Agency.
- (b) Under the Project Implementing Entity's overall supervision and control:
 - (i) the National Focal Structure shall be responsible for supervising the activities implemented at the national level and acting as coordinating body between the Project Implementing Entity and the National Implementing Agency; and
 - (ii) the National Implementing Agency shall implement Part 2 and Part 3 of the Mali Project Activities.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Mali Project Activities, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement ("*Subsidiary Agreement*") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include provisions to the following effect:

- (i) The Project Implementing Entity shall enter into a service agreement with the National Implementing Agency for the implementation of Part 2 and Part 3 of the Mali Project Activities.
 - (ii) The Project Implementing Entity shall, throughout the implementation of the Project, maintain sufficient resources and staff with terms of reference, qualification and experience satisfactory to the Recipient and the Association, and appropriate to carry out its obligations under the Subsidiary Agreement and the Project Agreement and achieve the Project objective.
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. Manuals

The Recipient shall cause the Project Implementing Entity: (i) to carry out the Project in accordance with the provisions of the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures, and (ii) unless the Association shall otherwise agree, not to amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of the Project.

D. Safeguards

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Mali Project Activities 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 semester, 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) Percentage of the Project activities implemented according to the Niger Basin Sustainable Development Action Plan.
 - (ii) Additional hydropower capacity (in Mws) generated further to rehabilitation at the Kainji and Jebba hydropower plants.
 - (iii) Hectares of additional irrigated and rehabilitated surface in the Mopti region (Mali), Tillabery region (Niger) and Karimaman and Malanville districts (Benin).
 - (iv) Percentage of targeted watershed area in the Faranah region (Guinea), Mopti region (Mali), Dosso and Tilabery regions (Niger) and Borgou, Alibori and Atacora regions (Benin) using agro-forestry, river bank stabilization, silt and sedimentation control.

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

- 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 July 31, 2013.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall cause the Project Implementing Entity to maintain 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 cause the Project Implementing Entity to prepare and furnish to the Association not later than forty five days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall cause the Project Implementing Entity to 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 Project Implementing Entity. 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.

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.

The provision of paragraphs 2.55 and 2.56 of the Procurement Guidelines shall apply to goods manufactured in the territory of the Recipient and works to be carried out by domestic contractors.

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:

<u>Procurement Method</u>
(a) <i>National Competitive Bidding*</i>
(b) <i>Shopping</i>
(c) <i>Direct Contracting</i>
(d) <i>Procurement from United Nations Agencies, such as the Inter-Agency Procurement Services Office</i>
(e) <i>Force Account</i>

* For the purpose of this Agreement, the term “National Competitive Bidding” means Competitive Bidding opened to the Member States on whose territory the Project is executed.

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 Method
(a) <i>Selection based on Consultants Qualifications (CQS)</i>
(b) <i>Least Cost Selection (LCS)</i>
(c) <i>Selection under a Fixed-Budget (FBS)</i>
(d) <i>Selection of Individual Consultants (IC)</i>
(e) <i>Single Source Selection (SSS)</i>

D. Review by the Association of Procurement Decisions

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 works estimated to cost the equivalent of \$500,000 or more; each contract for goods estimated to cost the equivalent of \$250,000 or more; the first two contracts for works and goods procured on the basis of National Competitive Bidding; and each contract for works or goods procured on the basis of Direct Contracting; and

(b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$100,000 or more; each contract for consultants’ services provided by a firm procured on the basis of Single Source Selection; each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of \$50,000 or more; and each contract for consultants’ services provided by an individual consultant procured on the basis of Single Source Selection. All terms of reference for the selection of consultants shall be submitted to the Association for prior review.

All other contracts shall be subject to Post Review by the Association.

All Training and workshop activities will be carried out on the basis of annual programs (identifying the general framework of the training activities for the year, including: (i) the type of training or workshop; (ii) the personnel to be trained; (iii) the institution which will conduct the training; (iv) the duration of the proposed training; and (v) the outcome and impact of the training) submitted annually for the prior approval of the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient shall cause the Project Implementing Entity to 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 Project Implementing Entity (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 (exclusive of Taxes)
1) Goods and consultants’ services for Part 1 of the Mali Project Activities, including Training, Operating Costs and Audits	1,250,000	100 %
2) Goods, works and consultants’ services for Parts 2 and 3 of the Mali Project Activities, including Training and Operating Costs	10,650,000	100 %
TOTAL AMOUNT	11,900,000	

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, except that withdrawals up to an aggregate amount not to exceed \$109,000 equivalent may be made for payments made prior to this date but on or after February 1, 2007, for Eligible Expenditures under Category (1).
2. The Closing Date is January 31, 2013.

Section V. Other Undertakings

- A. No later than thirty months after the Effective Date, or any date agreed between the Recipient and the Association, the Recipient and the Association shall carry out a mid-term review of the Mali Project Activities, on the progress made in the implementation of the Mali Project Activities. The Recipient shall cause the Project Implementing Entity to prepare, on the basis of terms of reference satisfactory to the Association, and transmit to the Association, no later than three months before the beginning of such mid-term review of the Mali Project Activities, a report including the results of the monitoring and evaluation activities carried out in accordance with this Agreement, on the progress made in the implementation of the Mali Project Activities during the period covered by such report, and making recommendations to ensure the efficient implementation of the Mali Project Activities and the achievement of the Project objectives during the period after the mid-term review. The other technical and financial partners supporting the Program shall be invited to participate in the mid-term review.
- B. No later than twelve months after the Effective Date, the Recipient shall establish its National Focal Structure, with terms of reference, composition and resources satisfactory to the Association.
- C. The Recipient shall cause the Project Implementing Entity to furnish to the Association, as soon as available, but in any case no later than September 1 of each year, an annual action plan and budget for the Project for the following year, in form and substance satisfactory to the Association, and of such scope and detail as the Association shall have reasonably requested, except for the annual action plan and budget for 2008, which shall be furnished no later than October 1, 2007 or thirty (30) days after the Effective Date, whichever is later, and shall cover activities planned between the date of signature of the Financing Agreement and December 31, 2008.

- D. No later than two months after the Effective Date, the Recipient shall cause the Project Implementing Entity to recruit an accountant with terms of reference, qualification and experience satisfactory to the Association.
- E. No later than one month after the Effective Date, the Recipient shall cause the National Implementing Agency to recruit an accountant, with terms of reference, qualification and experience satisfactory to the Association.
- F. No later than two months after the Effective Date, the Recipient shall cause the Project Implementing Entity to recruit a procurement specialist, with terms of reference, qualification and experience satisfactory to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1:	
commencing September 1, 2017 to and including March 1, 2027	1%
commencing September 1, 2027 to and including March 1, 2047	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. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004, as revised in October 2006.
3. “Environmental and Social Management Framework” means the Project Implementing Entity’s report entitled “*Projet de Développement des Ressources en Eau et Préservation des Ecosystèmes dans le Bassin du Niger – Cadre de Gestion Environnementale et Sociale*” dated March 20, 2007.
4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, with the modifications set forth in Section II of this Appendix.
5. “Mali Project Activities” means collectively the activities included in Part (1), Part (2) (c) (ii), Part (3) (b) (iii), (c), (d) (i) (C), (d) (ii)(A) and (D), and (d) (iii) of the Project.
6. “Member States” means collectively the member states of the Niger Basin Authority, including the Republic of Benin, Burkina Faso, the Republic of Cameroon, the Republic of Chad, the Republic of Cote d’Ivoire, the Republic of Guinea, the Recipient, the Republic of Niger and the Federal Republic of Nigeria.
7. “National Implementing Agencies” means collectively the National Implementing Agency, the *Direction Nationale du Génie Rural* of the Republic of Guinea, the *Centre Régional pour la Promotion Agricole des Départements du Borgou et de l’Alibori (CeRPA/B-A)* of the Republic of Benin, the *Direction des Aménagements et Equipements Ruraux Agricoles* in Niger and the Power Holding Company of Nigeria PLC of the Federal Republic of Nigeria.
8. “National Implementing Agency” means the Recipient’s *Agence d’Exécution des Travaux d’Infrastructures et d’Equipements Ruraux (AGETIER)*.
9. “Niger Basin Sustainable Development Action Plan” means the action plan, in form and substance satisfactory to the Association, being prepared by the Project Implementing Entity, for the implementation of the Program, on the basis of the report entitled “*Elaboration du Plan d’Action de Développement Durable du*

Bassin du Niger – Phase I Bilan Diagnostique” prepared by BRL Ingénierie at the request of the Project Implementing Entity.

10. “Operating Costs” means the incremental operating expenses incurred on account of the Project implementation, management and monitoring including rent for buildings; office, vehicles, office equipment and other operation and maintenance costs; 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 Project Implementing Entity or the Recipient’s civil service.
11. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, as revised in October 2006.
12. “Procurement Plan” means the Recipient’s procurement plan for the Project dated May 9, 2007 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.
13. “Program” means the Project Implementing Entity’s program referred to in its letter to the Association dated June 17, 2002, including the development of: (i) the irrigable lands; (ii) breeding; (iii) navigable waterways; (iv) fish-farming; (v) ecotourism; (vi) hydropower; and (vii) reduction of poverty, as is being further developed and elaborated in the Niger Basin Sustainable Development Action Plan.
14. “Project Implementation Manual” means the Recipient’s guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Project Implementation Manual.
15. “Project Implementing Entity” means the Niger Basin Authority, an international organization established among its Member States by the Project Implementing Entity’s Legislation.
16. “Project Implementing Entity’s Legislation” means the treaty dated November 21, 1980, for the creation of the Project Implementing Entity, as amended October 29, 1987.

17. “Project Manual of Financial, Accounting and Administrative Procedures” means the Recipient’s guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Project, including in the areas of fiduciary organization, accounting, financial management and procurement, as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Project Manual of Financial, Accounting and Administrative Procedures.
18. “Regional Steering Committee” means the Steering Committee established by the Project Implementing Entity by decision of its Council of Minister no. 00050 for the creation, attributions and organization of the Steering Committee for the Project GEF/Niger Basin and for the Watershed Management Program in the Niger Basin, dated July 5, 2005, as amended in accordance with Section 5.01 (d) of this Agreement.
19. “Resettlement Policy Framework” means the Project Implementing Entity’s report entitled “*Projet de Développement des Ressources en Eau et Préservation des Ecosystèmes dans le Bassin du Niger – Cadre de Politique de Réinstallation des Populations*” dated March 20, 2007.
20. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
21. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, 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 are as follows:

The reference to “Member Country” in the General Conditions means the Member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.