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**CREDIT NUMBER 4893-NE**

# **Project Agreement**

**(Urban Water and Sanitation Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**SOCIETE DE PATRIMOINE DES EAUX DU NIGER**

**Dated May 12, 2011**

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**CREDIT NUMBER 4893-NE**

**PROJECT AGREEMENT**

AGREEMENT dated May 12, 2011, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and SOCIETE DE PATRIMOINE DES EAUX DU NIGER (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the REPUBLIC OF NIGER (“Recipient”) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

**ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out Part 1 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

**ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

4.01. The Project Implementing Entity's Representative is its General Manager.

4.02. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423(MCI)

1-202-477-6391

4.03. The Project Implementing Entity's Address is:

**SOCIETE DE PATRIMOINE DES EAUX DU NIGER**

Direction Générale

BP. 10.738

NIAMEY

République du Niger

Facsimile:

(227) 20.73.46.40

AGREED at \_\_\_\_\_, \_\_\_\_\_, as of the day and year first  
above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Ousmane Diagana

Authorized Representative

SOCIETE DE PATRIMOINE DES EAUX DU NIGER

By //s// Ibrahim Boubacar

Authorized Representative

## SCHEDULE

### Execution of the Project Implementing Entity's Respective Part of the Project

#### Section I. Implementation Arrangements

##### A. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

##### B. Safeguards.

1. The Project Implementing Entity shall implement its Respective Part of the Project 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 Project Implementing Entity shall ensure that:
  - (a) for each activity under its Respective Part of 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 its Respective Part of 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 Project Implementing Entity shall not waive any provisions of any of the Safeguard Documents.
3. Without limitation upon its other reporting obligations under the Financing Agreement and this Agreement, the Project Implementing Entity shall, or shall provide its support to the Recipient 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.

**C. Annual Work Plans and Budgets**

1. Each year the Project Implementing Entity shall prepare and furnish to the Recipient, no later than October 30 of each year: (i) a draft annual work plan and budget for its Respective Part of the Project (including Training) 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, except for the annual work plan and budget for the Project Implementing Entity's Respective Part of 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 fifteen (15) days after the Effective Date.
2. The Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the Annual Work Plans and Budgets.

**D. Manuals**

1. (a) The Project Implementing Entity to carry out its Respective Part of the Project in accordance with the Project Implementation Manual; and (b) except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, abrogate, amend, or waive any provision of the Project Implementation Manual.
2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

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

**A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than five months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

3. The Project Implementing Entity shall participate with the Recipient in the Mid-term Review and provide to the Recipient, not later than two (2) months prior to the beginning of the Mid-term Review, its contribution to the report referred to in Section II.A.2 of Schedule 2 to the Financing Agreement, as well as all such information as the Recipient or the Association shall reasonably request for the purposes of the Mid-term Review. Following the Mid-term Review, the Project Implementing Entity shall act promptly and diligently in conjunction with the Recipient 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 Implementing Entity's Respective Part of the Project in furtherance of the objective of the Project.

**B. Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.
3. No later than six (6) months after the Effective Date, the Project Implementing Entity shall have recruited an external independent auditor selected in accordance with the provisions of Section III of this Schedule, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 2 above.
4. The Project Implementing Entity shall: (a) prepare, not later than June 30 of each year, an action plan including a tariff revision proposal if needed, giving details of actions, measures and policies required to allow the Project Implementing Entity to maintain its Financial Equilibrium; (b) furnish said proposal and action plan to the Recipient and the Association, for their review and comments; and (c) thereafter proceed, in consultation with the Recipient and the Association, to implement its action plan, with effect from January 1 of the next year.
5. Without limitation to the provisions of paragraph 1 above, no later than three (3) months after the Effective Date, the Project Implementing Entity: (i) shall have purchased, in accordance with the provisions of Section III of this Schedule, and installed an asset management software for the Project with specifications acceptable to the Association.

**Section III. Procurement**

All goods, works and services required for the Project Implementing Entity's Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.