Financing Agreement

(Multi-Sectoral Crisis Recovery Project for North Eastern Nigeria)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 20TH OCTOBER, 2017
FINANCING AGREEMENT

AGREEMENT dated 20th October, 2017, entered into between the FEDERAL REPUBLIC OF NIGERIA ("Recipient") and the 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 — CREDIT

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 one hundred forty-eight million eight hundred thousand Special Drawing Rights (SDR 148,800,000) (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 Credit 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 is the director, department of international economic relations, Federal Ministry of Finance.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Credit 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are February 1 and August 1 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient through its Federal Ministry of Finance declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out the relevant activities under Part C of the Project; and (b) cause the NE Participating States to each carry out, within their respective jurisdictions, Parts A, B, and the relevant activities of Part C of the Project, all in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

3.03. The Recipient shall cause each NE Participating State to require its respective PCU to ensure that all funds deposited in its PCU Project account are used by each PCU solely to defray the cost of expenditures related to the carrying out of its relevant activities under the Project.

ARTICLE IV — TERMINATION

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

4.02. 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 V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its minister responsible for finance.

5.02. The Recipient’s Address is:

Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria

Facsimile:

234-9-6273609
5.03. The Association's Address is:

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

Telex: Facsimile:

248423 (MCI) 1-202-477-6391
AGREE at Abuja, Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By:

[Signature]

Authorized Representative

Name: KEMI ADEOSUN (Mrs)

Title: HONOURABLE MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Authorized Representative

Name: Rachid Benmessaoud

Title: Country Director.
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) support the Recipient towards rehabilitating and improving critical service delivery infrastructure, improve the livelihood opportunities of conflict and displacement-affected communities, and strengthen social cohesion in the NE Participating States of Borno, Yobe and Adamawa in the Recipient’s territory; and (b) in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

The Project consists of the following parts:

Part A. Strengthening Peace Building, Stability and Social Cohesion

1. Providing transitional support for stabilization and self-reliance by: (a) increasing and improving access to basic necessity kits for households; and (b) restoring immediate access to productive assets through the provision of agricultural inputs and livestock to farmers and of trading commodities to non-farmers.

2. Increasing community resilience and cohesion by: (a) setting up local peace groups to bring together local authorities and representatives of different population segments; (b) providing support for social cohesion initiatives to address key drivers of conflict and needs emerging in the post-conflict period; and (c) providing community-based psychosocial support.

3. Building citizen-government relationship for recovery by: (a) strengthening institutional capacity of the state and local governments to consult relevant stakeholders at the local government and ward levels; and (b) strengthening institutional capacity of state and local government in planning for recovery and peace building.

Part B. Infrastructure Rehabilitation and Service Delivery Restoration and Improvement

Carrying out a program of activities to rehabilitate and improve critical physical infrastructure and sustainably restore service delivery, including structural improvements, improved quality control and service delivery regulation, and strengthened operations and maintenance, particularly:

1. Rehabilitating and improving critical state and local transport infrastructure, including reconstructing and repairing damaged bridges and state and local roads.

2. Restoring municipal services, including reconstructing and repairing water supply facilities, latrines and other sanitation infrastructure, and solid waste management infrastructure and service delivery.
3. Reconstructing and repairing damaged school infrastructure, including classrooms, offices, fences, playground, latrines, and labs, and carrying out associated service delivery interventions.

4. Reconstructing and rehabilitating health center buildings, and carrying out associated service delivery.

5. Rehabilitating and reconstructing damaged local government buildings critical for restoring service delivery functionality across multiple sectors.

Part C. Technical Assistance and Project Management Support

1. Building institutional capacity at the federal and state levels to: (a) develop implementation and performance management frameworks for programmatic recovery; (b) carry out immediate- and medium-term implementation recovery initiatives; and (c) set up citizen engagement and third party monitoring mechanisms.

2. Strengthening the capacity of the Recipient and of the NE Participating States for Project management, coordination, monitoring and evaluation, including financial and procurement management, environmental, and social safeguards compliance, audits and reporting support.

Part D. Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Presidential Committee on the North East Initiative (PCNI)

The Recipient shall maintain, until such time as shall be agreed with the Association, a Presidential committee ("Presidential Committee for North East Initiative" or "PCNI"), with a composition, mandate, and resources satisfactory to the Association to: (a) provide overall policy guidance, coordination and oversight for the Project; and (b) be responsible for management of implementation of relevant activities under Part C of the Project.

2. State Steering Committees

(a) The Recipient shall cause each NE Participating State to establish and thereafter maintain, throughout the implementation of the Project, a state steering committee for said NE Participating State ("State Steering Committee"), with a composition, mandate, and resources satisfactory to the Association.

(b) Without limitation to sub-paragraph (a) immediately above, each State Steering Committee shall be responsible for: (i) providing strategic guidance and oversight to ensure prompt and efficient implementation of the Project at the state level; and (ii) ensuring overall coordination of Project implementation at the state level; all in accordance with the provisions of this Agreement and of the Project Implementation Manual.

3. Project Coordination Units and Project Financial Management Units

(a) The Recipient shall cause each NE Participating State to establish, not later than one (1) month after the Effective Date, and thereafter maintain, throughout the implementation of the Project, a state project coordination unit for said NE Participating State ("Project Coordination Unit" or "PCU"), with functions, staffing and resources satisfactory to the Association.

(b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall cause each NE Participating State to ensure that the respective PCU shall be responsible for the administration of overall planning, coordination of the carrying out of activities under its respective activities of the Project, the technical, fiduciary (i.e., procurement and financial
management), environmental and social safeguards compliance, monitoring, evaluation, reporting and communication of the activities under the Project in the corresponding NE Participating State, all in accordance with the provisions of this Agreement and the Project Implementation Manual.

(c) The Recipient shall cause each NE Participating State to dedicate and retain, throughout the implementation of the Project, staff from the accounting and internal audit units of its Project Financial Management Unit (PFMU), in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association, to be responsible for Project financial management activities in the corresponding NE Participating State, in accordance with the provisions of this Agreement, including, but not limited to the preparation of budgets, monthly reports, interim unaudited financial reports, and annual financial statements.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make a portion of the proceeds of the Financing available to each NE Participating State as a grant on a non-reimbursable basis under a subsidiary agreement between the Recipient and each NE Participating State, under terms and conditions approved by the Association ("Subsidiary Agreement"), which shall include, inter alia:

(a) the principal amount of the financing allocated to the respective NE Participating State ("Subsidiary Financing") which shall be the equivalent in terms of SDR of the amount withdrawn under this Agreement (determined as of the date or dates of withdrawal from the Financing Account) with respect to such NE Participating State; and

(b) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the NE Participating State to use the proceeds of the Subsidiary Financing, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the NE Participating State's failure to perform any of its obligations under the Subsidiary Agreement; and

(ii) require each NE Participating State to:

(A) carry out its respective activities under 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, and in accordance with the provisions of this Agreement, including the relevant Safeguards Instruments, the PIM, and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) ensure that any goods and services to be financed out of the Subsidiary Financing are procured in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its respective activities under the Project and the achievement of the objective of the Project;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its respective activities under the Project; and (2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, but in any event not later than 6 months after the end of each Fiscal Year;

(F) enable the Recipient and the Association to inspect the NE Participating State’s respective activities under the Project, its operation and any relevant records and documents;

(G) permit the Association to make the Subsidiary Agreement and all financial statements audited pursuant to sub-paragraph (E) above available to the public in accordance with the Association’s policies on access to information; and
(H) 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.

2. The Recipient shall exercise its rights and perform its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association and the Recipient shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall implement, and cause each NE Participating State to implement, the Project in accordance with the Safeguards Action Plan ("SAP") and the relevant Safeguards Instruments, including the carrying out of environmental audits.

2. The Recipient, prior to initiating the carrying out of any civil works for any subproject, shall:

   (a) (i) prepare (or cause each NE Participating State to prepare) in accordance with terms of reference and process acceptable to the Association, any Resettlement Action Plan ("RAP") and Abbreviated Resettlement Action Plan ("ARAP") required for such subproject and furnish said RAP and ARAP, as the case may be, to the Association for its review and approval; (ii) adopt and disclose such RAP and ARAP in the Recipient’s territory; and (iii) incorporate such RAP and ARAP in the bidding documents;

   (b) if any activity under the Project would involve Affected Persons, ensure that: (i) no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the applicable RAP and ARAP, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken; and (ii) provide from its own resources, any financing required for any measures under subparagraph (i) above including any costs associated with land acquisition required for the Project; and
(c) thereafter implement (or cause each NE Participating State to implement) the Project in accordance with such RAP and ARAP.

3. The Recipient shall:

   (a) prior to commencement of bidding for civil works for any subproject:
        (i) prepare (or cause each NE Participating State to prepare) in accordance with terms of reference and process acceptable to the Association, the Environmental and Social Impact Assessment ("ESIA") required for the subproject under the SAP and the Environmental and Social Management Plan ("ESMP") required for the subproject under an ESIA, in form and substance satisfactory to the Association; (ii) furnish said ESIA and ESMP to the Association for its review and approval; and (iii) adopt and disclose the ESIA and ESMP in the Recipient's territory; and (iv) incorporate said ESMP in the bidding documents;

   (b) thereafter, implement (or cause each NE Participating State to implement) the Project in accordance with such ESIA and ESMP.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each applicable Safeguards Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with each applicable Safeguards Instrument, as part of the Project Reports, giving details of:

   (a) measures taken in furtherance of such Safeguards Instrument;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instrument; and

   (c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

6. The Recipient shall ensure that:

   (a) all studies and technical assistance to be carried out under the Project are undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, and that such terms of reference shall be designed to ensure that said studies and technical assistance are consistent with the Association's environmental and social safeguard policies; and
(b) in any Project activity that may support the drafting of regulatory instruments for the purpose of the Project, due attention will be given to said policies.

E. Project Implementation Manual

1. No later than two (2) months after the Effective Date, the Recipient shall, and shall cause each NE Participating State, to adopt the Project Implementation Manual ("Project Implementation Manual" or "PIM") in form and substance satisfactory to the Association, and, thereafter carry out the Project and cause each NE Participating State to carry out its respective activities under the Project in accordance with the provisions of the PIM, which shall include: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project, as the same may be further updated from time to time with the prior written agreement of the Association.

2. The Recipient shall, and shall cause the NE Participating States to, not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

F. Annual Work Plans and Budgets

1. The Recipient, through the Federal Ministry of Finance, shall prepare or cause to be prepared, and thereafter collect and furnish to the Association not later than March 31 of each year during the implementation of the Project (or such later date as the Association may agree) for the Association’s approval, annual work plans and budgets containing all eligible Project activities and expenditures at the federal and state levels proposed to be included in the Project for the following Fiscal Year, including:

(a) environmental and social safeguards measures taken or planned to be taken in accordance with the provisions of Section I.D of this Schedule; and

(b) the amount, allocation and schedule of disbursement of federal and NE Participating States’ counterpart funds required for the financing of:
(i) any environmental and social safeguards measures required pursuant to any Safeguards Instrument;

(ii) the NE Participating State’s share of expenditures under the relevant Category in the table in Section IV.A.2 of this Schedule; and

(iii) any other activities and expenditures required for the efficient implementation of the Project in accordance with this Agreement.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plans and budgets, and thereafter shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the respective Fiscal Year, and shall ensure that the Recipient’s and NE Participating States’ counterpart funds required for the Project and specified in the Annual Work Plans and Budgets are duly committed and promptly paid as and when required for the purposes of the Project; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets without prior approval in writing by the Association.

G. Contingent Emergency Response

In order to ensure the proper and timely implementation of Part D of the Project aimed to provide immediate response to potential Eligible Crisis or Emergency, the Recipient shall take all actions required on its behalf to ensure Part D of the Project is carried out in accordance with the following provisions:

1. The Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, a draft of the Emergency Response Operations Manual setting forth detailed implementation arrangements for Part D of the Project, including: (i) designation of, terms of reference for, and resources to be allocated to, the entity to be responsible for coordinating and implementing Part D of the Project (“Coordinating Authority”); (ii) specific activities which may be included under Part D of the Project, the Emergency Expenditures required therefor and the proposed procedures for such inclusion; (iii) financial management arrangements under Part D of the Project; (iv) procurement methods and eligibility procedures for Emergency Expenditures to be financed under Part D of the Project; (v) the documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for Part
D of the Project, consistent with the Association's policies on the matter and the provisions of Section D of this Section I; and (vi) any other arrangements necessary to ensure proper coordination and implementation of Part D of the Project;

(b) afford the Association a reasonable opportunity to review and comment on the Emergency Response Operations Manual;

(c) thereafter, promptly adopt the Emergency Response Operations Manual as shall have been approved by the Association;

(d) from time to time, submit recommendations to the Association for its consideration for changes and updates of the Emergency Response Operations Manual, as they may become necessary or advisable during Project implementation to allow, if and as necessary, the inclusion of activities under Part D of the Project to respond to an Eligible Crisis or Emergency;

(e) ensure that Part D of the Project is carried out in accordance with the Emergency Response Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the Emergency Response Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(f) not amend, suspend, abrogate, repeal or waive any provision of the Emergency Response Operations Manual without the prior approval by the Association.

2. The Recipient shall, throughout the implementation of the Part D of the Project, maintain the Coordinating Authority, with staff in adequate numbers and with qualifications and resources satisfactory to the Association.

3. The Recipient shall refrain from undertaking and/or financing any activities under Part D of the Project (nor any activities shall be included and/or financed under such Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities under Part D of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has: (i) agreed with such determination; (ii) accepted said request; and (iii) notified the Recipient thereof; and
the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the Emergency Response Operations Manual, the Association has approved all such instruments, and the Recipient has implemented to the satisfaction of the Association any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall and shall cause each NE Participating State to 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 forty-five (45) days after the end of the period covered by such report.

2. Third Party Monitoring Agent(s)

(a) The Recipient shall ensure that third party monitoring agent(s) for the Project, under terms of reference and with qualifications and experience satisfactory to the Association, shall be in place in time to carry out quality and performance audits progressively throughout Project implementation as provided in the PIM.

(b) Each such audit report shall: (i) be furnished to the Association as provided in the PIM; and (ii) include an action plan to improve performance and correct any shortcomings and deficiencies.

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.1 of this Section II, the Recipient shall cause each NE Participating State and PCNI to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, 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. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
Section III.  **Procurement**

1. All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

2. **Procurement of Contracts for Emergency Expenditures under Part D of the Project.** Notwithstanding any provision to the contrary in this Section III, contracts for Emergency Expenditures required for Part D of the Project shall be procured in accordance with the procurement methods and procedures set forth in the Emergency Response Operations Manual.

Section IV.  **Withdrawal of the Proceeds of the Credit**

A. **General**

1. The Recipient may withdraw the proceeds of the Credit 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 Credit ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training, and Operating Costs under Part A of the Project</td>
<td>22,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services, Training, and</td>
<td>81,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs under Part B of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, consulting services, Training, and Operating Costs under Part C of the Project</td>
<td>14,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Emergency Expenditures under Part D of the Project</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(5) Unallocated amount under Part B of the Project</td>
<td>29,700,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>148,800,000</td>
<td></td>
</tr>
</tbody>
</table>

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, except that withdrawals up to an aggregate amount not to exceed SDR 29,700,000 may be made for payments made prior to this date but on or after May 1, 2016, for Eligible Expenditures under Categories (1), (2) and (3);

   (b) under Categories (1), (2), and (3), for payments to any NE Participating State until and unless: (i) the respective NE Participating State has entered into a Subsidiary Agreement with the Recipient; (ii) the Association has received an opinion satisfactory to it establishing that said Subsidiary Agreement has been duly authorized or ratified by the Recipient and the respective NE Participating State and is legally binding upon the Recipient and the respective NE Participating State in accordance with its terms; and

   (c) under Category (4), for Emergency Expenditures under Part D of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said Emergency Expenditures:

   (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said Eligible Crisis or Emergency under Part D of the Project in order to respond to said Eligible Crisis or...
Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all safeguards instruments required for said Eligible Crisis or Emergency, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D of this Schedule;

(iii) the Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.A of this Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted the Emergency Response Operations Manual in form, substance and manner acceptable to the Association and the provisions of the Emergency Response Operations Manual are fully current in accordance with the provisions of Section I.G of this Schedule 2 so as to be appropriate for the inclusion and implementation Part D of the Project.

2. The Closing Date is May 31, 2021.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 1 and August 1:</td>
<td></td>
</tr>
<tr>
<td>commencing August 1, 2022, to and including February 1, 2032</td>
<td>1.65%</td>
</tr>
<tr>
<td>Commencing August 1, 2032 to and including February 1, 2042</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* 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. "Abbreviated Resettlement Action Plan" or "ARAP" each means an abbreviated plan to be prepared by the Recipient, in form and substance satisfactory to the Association, outlining the mitigation measures for addressing any resettlement risks associated with an activity under the Project, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the ARAP, and such term includes any schedules or annexes to the ARAP.

2. "Affected Persons" means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (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 the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and "Affected Person" means any of the Affected Persons.

3. "Annual Work Plan and Budget" means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.F of Schedule 2 to this Agreement.


5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. "Coordinating Authority" means the entity or entities designated by the Recipient in the Emergency Response Operations Manual to be responsible for coordinating the emergency mitigation, response and recovery response activities under Part D of the Project and approved by the Association pursuant to the provisions of Section I.G of Schedule 2 to this Agreement.

7. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

8. "Emergency Expenditures" means the eligible expenditures required to finance the cost of the approved list of goods, works, and services necessary to support

9. “Emergency Response Operations Manual” means the operations manual to be adopted by the Recipient for Part D of the Project pursuant to the provisions of Section I.G of Schedule 2 of this Agreement.

10. “Environmental and Social Impact Assessment” or “ESIA” each means an assessment to be carried out by the Recipient for the Project in form and substance satisfactory to the Association, to evaluate the Project’s potential environmental and social risks and impacts in its area of influence, including impact on physical cultural resources; examine alternatives and identify ways of mitigating and managing adverse environmental and social impact throughout Project implementation, as the same may be amended from time to time with the prior written agreement of the Association and such term includes any schedules or annexes to the assessment.

11. “Environmental and Social Management Plan” or “ESMP” each means a plan to be prepared by the Recipient for an activity under the Project proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to the plan.

12. “Fiscal Year” means the Recipient’s fiscal year from January 1 to December 31.

13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

14. “NE Participating State” means each of the following of the Recipient’s North East States of Adamawa, Borno, and Yobe.

15. “Operating Costs” means the incremental and reasonable expenses incurred by the Recipient and the NE Participating States, based on amounts and budgets approved by the Association, on account of the day-to-day implementation of the Project including maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, office rental and maintenance, bank charges, advertising expenses, insurance, travel, per diems, accommodation, advertising expenses, and salaries of selected support staff, but excluding salaries of consultants and salaries of officials of the Recipient’s and NE Participating States’ civil service.

16. “Presidential Committee on the North East Initiative” or “PCNI” each means the committee with a three-year time-bound mandate referred to in Section I.A.1 of
Schedule 2 to this Agreement, or any successor thereto, responsible for long-term development in the North East of the Recipient’s territory.

17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 1, 2016, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


19. “Project Coordination Unit” or “PCU” each means the unit in each of the NE Participating States to be established pursuant to the provisions of Section I.A.3(a) and (b) of Schedule 2 to this Agreement.

20. “Project Financial Management Unit” or “PFMU” each means a unit in each of the NE Participating States responsible for financial management activities, including budgeting, funds flow, accounting, internal control, reporting and audits in accordance the provisions of Section I.A.3(c) of Schedule 2 to this Agreement.

21. “Project Implementation Manual” or “PIM” each means the manual referred to in Section I.E of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.

22. “RAP” means a plan to be prepared by the Recipient, in form and substance satisfactory to the Association, outlining the mitigation measures for addressing any resettlement risks associated with an activity under the Project, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP, and such term includes any schedules or annexes to the plan.

23. “Safeguards Action Plan” or “SAP” each means the action plan set forth in the Project Appraisal Document for the Project outlining environmental and social implementation procedures, mitigation measures and monitoring procedures for the Project.

24. “Safeguards Instruments” means any ESIA, ESMP, RAP, ARAP or any other instrument required under the terms of the SAP, to be prepared by the Recipient and approved by the Association for the Project, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the said instrument may be amended and/or supplemented from time to time with the prior written agreement of the Association.
25. “State Steering Committee” means the body established at the state level pursuant to the provisions of Section I.A.2 of Schedule 2 to this Agreement.

26. “Subsidiary Agreement” means each of the agreements 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 each NE Participating State, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes all schedules to such Subsidiary Agreement.

27. “Training” means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

   “Section 3.02. Service Charge and Interest Charge

   (a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

   (b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:
32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02(a).