

No. 14452

**UNITED NATIONS
(UNITED NATIONS CAPITAL
DEVELOPMENT FUND)
and
NIGER**

Grant Agreement—*Agricultural co-operatives* (with annexes). Signed at Niamey on 2 and 10 December 1975.

Authentic text: French.

Registered ex officio on 10 December 1975.

**ORGANISATION DES NATIONS UNIES
(FONDS D'ÉQUIPEMENT DES NATIONS UNIES)
et
NIGER**

**Accord de don — *Coopératives agricoles* (avec annexes).
Signé à Niamey les 2 et 10 décembre 1975**

Texte authentique : français.

Enregistré d'office le 10 décembre 1975.

[TRANSLATION — TRADUCTION]

GRANT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE NIGER (hereinafter called “the Government”) AND THE UNITED NATIONS CAPITAL DEVELOPMENT FUND (hereinafter called “UNCDF”)

Project number: NER 74/C34

Project title: Agricultural co-operatives

Approved:

[DJERMAKOYE ADAMOU]
For the Government
Date: 2 December 1975

[A. ROTIVAL]
For UNCDF
Date: 10 December 1975

Article I. THE GRANT

Section 1.01. UNCDF agrees to make a grant (hereinafter called “the Grant”) available to the Government on the terms and conditions set forth or referred to in this Agreement, in the amount of three hundred forty-eight thousand United States dollars (\$US348,000), as a financial contribution to the project (hereinafter called “the Project”) described in annex I to this Agreement.

Section 1.02. (a) UNCDF shall open a grant account (hereinafter called “the Grant Account”) on its books in the name of the Government and shall credit thereto the amount of the Grant.

(b) The table below sets forth the categories of items of expenditure to be financed out of the funds obtained from the Grant and fixes the amounts allocated to each category.

<i>Category</i>	<i>Amount of the grant allocated (in US dollars)</i>
1. Medium-term and short-term credits	
(a) Dosso region	\$165,000
(b) Tahoua region	\$ 47,000
(c) Agadez region	\$ 24,000
2. Reconstitution of peanut seed stocks in the Maradi region	
(a) Agricultural agents' services (34 agents)	\$ 36,000
(b) Training of 2,523 farmers (living expenses)	\$ 33,000
(c) Construction of 72 storage areas	\$ 34,000
(d) Fitting out of 18 village distribution centres	<u>\$ 9,000</u>
TOTAL	<u>\$348,000</u>

¹ Came into force on 10 December 1975, the date on which the last signature had been affixed, in accordance with section 6.01.

(c) The disbursements from the Grant Account and the administration of the Project shall be made or conducted in accordance with the conditions and procedures and by the organizations set forth or referred to in an Administration Agreement, marked annex II, which is attached to this Agreement. The pre-conditions to any disbursement from the Grant Account are set forth in annex II, it being agreed that UNCDF may, by notice to the Government, declare this Agreement to be null and void if the said pre-conditions are not satisfied on or before 31 December 1975.

(d) Notwithstanding the provisions of paragraph (c) of this section, no disbursements shall be made in respect of:

- (i) any expenditures incurred prior to the date of this Agreement;
- (ii) payments for taxes and other charges, imposed under the laws of the State or laws in effect in its territories, on goods or services or on the importation, manufacture, purchase or supply thereof.

Section 1.03. If UNCDF has reasonably determined that the portion of the Grant allocated to any category will be insufficient to finance the expenditures in that category, it may, by notice to the Government, reallocate to that category any amounts which have been allocated to another category but, in its opinion, are not needed to meet other expenditures.

Section 1.04. If UNCDF has reasonably determined that purchase of any goods and services in any category is inconsistent with the procedures set forth or referred to in this Agreement, no expenditures incurred to pay for such goods or services shall be financed through the Grant, and UNCDF may, without prejudice to any other right, power or remedy available to it under the Grant Agreement, cancel by notice to the Government such a portion of the Grant as, in the reasonable opinion of UNCDF, represents the amount of the expenditures which might otherwise have been financed out of the funds obtained from the Grant.

Section 1.05. UNCDF may, by notice to the Government, terminate the right of the Government to withdraw from the Grant Account any amount not disbursed by 31 March 1977 or by any other date which may be agreed upon by the Government and UNCDF.

Section 1.06. Before UNCDF may invoke the provisions of sections 1.03, 1.04 and 1.05 above, UNCDF and the Government must consult together in a spirit of co-operation and mutual understanding with a view to resolving any problems.

Article II. GENERAL PROVISIONS CONCERNING THE EXECUTION OF THE PROJECT

Section 2.01. The Government shall execute the Project or, if another entity is designated for that purpose either in this Agreement or in the annex thereto, have the project executed by the said entity with due diligence and efficiency and in conformity with appropriate administrative, technical and financial practices. It shall provide, as needed, all funds, facilities, services and other resources required for the execution of the Project.

Section 2.02. (a) Contracts for goods and services required for the execution of the Project and to be financed out of the funds obtained from the Grant shall be awarded according to the procedures set out in the model Administration Agreement marked annex II attached to this Agreement.

(b) UNCDF may, in agreement with the Government, take steps to ensure that the Government receives such assistance in the purchase of goods and services required for the execution of the Project as is consistent with UNCDF policy.

Section 2.03. Unless the Government and UNCDF decide otherwise, the Government shall ensure that all goods and services financed out of the funds obtained from the Grant are allocated solely to the execution of the Project.

Section 2.04. The Government undertakes to insure, or to make adequate provision for the insurance of, imported goods financed through the Grant against all risks arising from the purchase of such goods and their transport and delivery to the place of use or installation. Any compensation due under such insurance shall be payable in a currency which the Government can use freely to replace or repair such goods.

Section 2.05. The Government shall:

- (a) keep the records needed to follow the progress of the Project (including the cost of execution) and to identify the goods and services financed through the Grant and justify their use for the Project;
- (b) have such records audited every year and transmit them to UNCDF, together with the report of the audit, not later than six months after the end of the Government's financial year;
- (c) give UNCDF representatives every opportunity to visit the facilities and construction sites included in the Project or necessary for its execution and to inspect the goods financed out of the funds obtained from the Grant and any relevant records and documents; and
- (d) provide UNCDF with all such information as the latter may reasonably request concerning the Project, expenditures made through the Grant and goods and services financed out of the funds obtained from it.

Section 2.06. Unless the Government and UNCDF decide otherwise, the Government shall not create, or permit to be created, any charge, mortgage, pledge, surety or priority right of any kind on goods financed through the Grant, except in the case of surety for the vendor granted at the time of purchase of such goods as a guarantee of payment.

Article III. CO-OPERATION AND INFORMATION

Section 3.01. CO-OPERATION AND INFORMATION. (a) The Government and UNCDF shall co-operate fully to ensure that the purposes of the Grant are achieved. To that end, the Government and UNCDF shall, at the request of either one of them:

- (i) exchange views through their representatives on the progress of the Project, the benefits deriving therefrom, the performance of their respective obligations under this Agreement and other matters relating to the purposes of the Grant; and
- (ii) provide each other with all such information as either Party may reasonably request on the progress of the Project, the benefits deriving therefrom and the general status of the Grant.

(b) The Government and UNCDF shall inform each other as soon as possible of any circumstance which interferes or threatens to interfere with the progress of the Project, the achievement of the purposes of the Grant or the performance by either Party of its obligations under this Agreement.

(c) After completion of the Project, the Government shall make available to UNCDF all such information as the latter may reasonably request on the benefits deriving from the Project, including information which UNCDF may need in order to evaluate the Project or its assistance to the Government.

Article IV. SUSPENSION OR TERMINATION OF ASSISTANCE

Section 4.01. UNCDF may, by notice in writing to the Government, suspend its assistance under this Agreement if, in its judgement, any circumstance arises which interferes or threatens to interfere with the successful completion of the Project or the achievement of its purposes. UNCDF may, by the same notice in writing or by a subsequent notice, indicate the conditions under which it would be prepared to resume its assistance under this Agreement. The suspension of assistance shall continue until those conditions are accepted by the Government and UNCDF gives notice in writing to the Government that it is prepared to resume its assistance under this Agreement.

Section 4.02. If any of the situations referred to in section 4.01 arises and continues for a period of 30 days after UNCDF has given notice thereof to the Government, UNCDF may, at any time thereafter while the situation continues, terminate its assistance under this Agreement by notice in writing to the Government and demand that the Government should reimburse to it the portion of the Grant disbursed from the Grant Account. The Government shall reimburse such amount to UNCDF as soon as possible after receipt of the demand.

Section 4.03. The provisions of this article shall be without prejudice to any other rights or remedies available to UNCDF in the circumstances under the laws in force in the territory of the Government, under international conventions to which the Government is a signatory or, failing that, under general principles of law.

Section 4.04. No delay or omission on the part of UNCDF in exercising any right or remedy under this Agreement shall be construed as a waiver thereof.

Section 4.05. Before UNCDF may invoke the provisions of sections 4.01 and 4.02 above, UNCDF and the Government must consult together in a spirit of co-operation and mutual understanding with a view to resolving any problems.

Article V. INTERPRETATION AND SETTLEMENT OF DISPUTES

Section 5.01. The provisions of this Agreement shall be interpreted in accordance with the relevant resolutions and decisions of the appropriate organs of the United Nations, and any relevant matter for which no provision is made in this Agreement shall be settled by the Parties in accordance with those resolutions and decisions, each Party giving full and sympathetic consideration to any proposal put forward by the other Party under this section.

Section 5.02. Any dispute between the Government and UNCDF which arises out of or relates to the provisions of this Agreement and which is not settled by negotiation or another agreed method of settlement shall be submitted to arbitration at the request of either Party. Each Party shall appoint an arbitrator, and the two arbitrators thus designated shall appoint a third arbitrator, who shall be the Chairman of the arbitral tribunal. If, within 30 days of the request for arbitration, either Party has failed to appoint

an arbitrator or if, within 15 days of the appointment of the two arbitrators, the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint the necessary arbitrator. The arbitration procedure shall be established by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the grounds on which it is based and shall be accepted as binding by the Parties to the dispute.

Article VI. DATE OF ENTRY INTO FORCE; TERMINATION

Section 6.01. This Agreement shall enter into force on the date on which the last Party signs it.

Section 6.02. The obligations entered into by the Parties under this Agreement shall terminate exactly three years after the date set forth in section 1.05 of this Agreement, or three years after any other date agreed upon by the Government and UNCDF in accordance with the provisions of that section.

Article VII. REPRESENTATIVES OF THE PARTIES; ADDRESSES

Section 7.01. The Minister for Foreign Affairs and Co-operation is hereby designated as the representative of the Government responsible for taking on behalf of the Government any action required or permitted under this Agreement.

Section 7.02. UNCDF may, by notice to the Government, designate one or more persons as UNCDF representative responsible for receiving any documentation to be furnished to UNCDF, or for deciding on any action which UNCDF is required or permitted to take in accordance with the terms of the Agreement.

Section 7.03. The following addresses should be used for transmitting any notice or request required or permitted under this Agreement.

For the Government:

The Minister for Foreign Affairs and Co-operation
Niamey, Niger

For UNCDF:

United Nations Capital Development Fund
c/o Resident Representative of the United Nations Development Programme
Niamey, Niger

IN WITNESS WHEREOF the Parties to this Agreement, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names and on the respective dates indicated above.

ANNEX I

PROJECT DESCRIPTION

The Union Nigérienne de Crédit et de Coopération (UNCC) (Niger Credit and Co-operation Union), which was founded in 1962 and reorganized in 1971, is the administering body for 235 agricultural co-operatives which produce 20 per cent of the Niger's total agricultural output. UNCC

offers technical and management services, rural workshops and facilities for packaging agricultural produce. It also acts as intermediary for credits provided by the Caisse Nationale du Crédit Agricole (CNCA) (National Agricultural Credit Fund). The average rate of loan repayments over the last two years was 95 per cent.

UNCDF funds allocated to this Project will be used partly for short-term and medium-term credits in the Dosso, Tahoua and Agadez regions. This part of the Grant (\$236,000) will be made available to UNCC through CNCA. The balance (\$112,000) will be made available direct to UNCC to finance the reconstitution of peanut seed stocks in the Maradi region which were eaten during the drought.

ANNEX II

ADMINISTRATION AGREEMENT

The purpose of this Administration Agreement is to set forth the procedures for the implementation of the Grant Agreement of _____ by specifying the respective responsibilities of the Union Nigérienne de Crédit et de Coopération (UNCC) (Niger Credit and Co-operation Union), the Caisse Nationale du Crédit Agricole (CNCA) (National Agricultural Credit Fund) and the UNDP Resident Representative (hereinafter called "the Representative").

A. Responsibilities of the Representative

1. The Representative shall have \$236,000 deposited with the CNCA, in a Special Account marked NER/74/C.34 to finance short-term and medium-term credit transactions in the Dosso (\$165,000), Tahoua (\$47,000) and Agadez (\$24,000) regions. His approval shall be required for the allocation of any credit equivalent to 1 per cent or more of the credit fund referred to above.

2. The Representative shall have \$112,000 deposited with UNCC for the purpose of reconstituting peanut seed stocks in the Maradi region. His approval shall be required for any disbursement from that account of an amount equivalent to 20 per cent or more of each item of expenditure set out in category 2 of section 1.02 (b) of the Grant Agreement.

B. Responsibilities of UNCC

1. UNCC shall be responsible for the following components of the Project:

- (a) the assignment of 34 agricultural agents to the Project to administer the programme to reconstitute peanut seed stocks;
- (b) the training of three leading members from each of the 841 mutual assistance groups in the Maradi region, i.e., a total of 2,523 farmers to be trained as group leaders;
- (c) the construction of a storage area in each of the 72 co-operative centres;
- (d) the fitting out and maintenance of the 18 village distribution centres;
- (e) the purchase, by its normal procedures, of any equipment and material related to the programme to reconstitute peanut seed stocks.

2. UNCC shall provide the Representative with the following documents:

- (a) a building programme for the 72 storage areas;
- (b) a programme for the purchase of equipment, seeds and material;
- (c) a training programme for 2,523 farmers;
- (d) within 30 days after the end of each half-year, itemized statements covering the following components completed or executed during the preceding half-year:
 - (i) construction work completed;
 - (ii) purchases made;
 - (iii) training of farmers as group leaders completed;

- (e) within 30 days after the end of each calendar year, audited itemized accounts indicating any use made of the \$112,000 deposited with UNCC in accordance with the provisions of paragraph A, 2, above.

C. *Responsibilities of CNCA*

1. CNCA shall make loans to co-operatives belonging to UNCC at an interest rate of 6.5 per cent per annum, of which 2 per cent will be withheld by CNCA to cover its costs and the remaining 4.5 per cent will be added to the credit fund established for this Project in order to permit the continuation and expansion of the credit programme in the Dosso, Tahoua and Agadez regions.

2. Within 30 days after the end of each calendar year, CNCA shall provide the Representative with audited itemized accounts indicating all loan and repayment transactions, as well as all other changes, effected in connexion with the credit fund during the preceding year.

D. *Pre-condition*

The pre-condition for any disbursement from the amount of \$112,000 deposited with UNCC to finance the programme to reconstitute peanut seed stocks shall be that UNCC shall prove to the Representative's satisfaction that the 34 agricultural agents referred to in the Grant Agreement and the Administration Agreement have in fact been assigned to the Project.