

MILLENNIUM CHALLENGE ACCOUNT-NIGER MCA-NIGER

MINUTES OF THE SIXTH ORDINARY MEETING OF THE BOARD OF DIRECTORS HELD IN NIAMEY ON DECEMBER 20th, 2018

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The Millennium Challenge Account Niger Board of Directors ("MCA-Niger") held a regular meeting on December 20th, 2018 from 10:00 am at the Hotel Gaweye (Room Margou), in accordance with:

(i) MCA-Niger Internal Regulations;

(ii) Decree No. 2016-706 / PRN, dated December 23rd, 2016, on the creation, attributes, composition and functions of the Millennium Challenge Account-Niger ("MCA-Niger");

(iii) Millennium Challenge Compact by and between the Government of the United States of America, acting through the Millennium Challenge Corporation (hereinafter "MCC") and Niger, acting through its ministries and other government entities, if any (the "Government"), signed on July 29th, 2016 (the "Compact"); and

(iv) The Program Implementation Agreement signed on July 29th, 2016 ("Program Implementation Agreement") between the United States of America, acting through MCC and the Government.

The capitalized terms used but not defined in this document must have the meanings given in the articles of association or the accounting policies.

I. MEMBERS OF THE BOARD OF DIRECTORS:

The following people were present:

1. Mr. OUHOUMODOU Mahamadou, Minister, Chief of Staff of the President of the Republic, President of the Board, full member of the board;
2. Mr. ALBADE Abouba, Minister of State, Minister of Agriculture and Livestock, full member of the board;
3. Mr. KATAMBE Issoufou, Minister of Hydraulics and Sanitation, full member of the Council ; .
- 4 Mr AHMAT Jidoud, Minister Delegate for the Budget, alternate member of the Council;
- 5 Mr HAMADOU Adamou Souley, Chief of Staff of the Prime Minister of Niger, full member of the board;
- 6 Mr BAKOYE Saadou, Secretary General of the Minister of Planning, alternate member of the Council;
- 7 Mr DJARIRI Mahaman Salissou, chief of staff of the Minister of Environment, Urban Sanitation and Sustainable Development, alternate member of the board;
- 8 Mr HACHIMOU Abdoukarim, Secretary General of the Ministry of Population, Women's Empowerment and Child Protection, alternate member of the board;
9. Mr ABDOULAYE OUMA AHMET Abdoukarim, Secretary General of the Ministry of Equipment, alternate member of the board;
- 10.Mr BETY Ali, High Commissioner to the 3N Initiative, full member of the board
- 11.M. DJADAH Abdoulaye, Private Sector Representative, 1st Deputy President of the

Chamber of Commerce, full member of the board;

12.M. BAGNA Djibo, Representative of the Civil Society, full member of the board

13. Ms. FODI Halima, representative of the Women's Organizations of Civil Society, full member of the board;

14. Mrs. PENN Kristin, Resident Director of the MCC in Niger, full member of the Council as non-voting observer;

15. Mr. ANNOU Mamane, Director General of MCA-Niger, Permanent Secretary of the board, full member of the board as non-voting observer;

Present by teleconference: None

Absent: None

Other persons present:

- .M. AGALHEIR Kaocen, Administrative and Financial Director, MCA-Niger;
- Mr. HAMANI Tahirou, Acting Director of Procurement, MCA-Niger; Mr. NASSIROU 3 MAHAMANE SOFO Falalou, Legal Specialist, MCA-Niger;
- Mr MASRO Hans, Strategic Communications Manager of MCA-Niger;
- Mr GARBA MOTA Illo, Field Communication Manager, MCA-Niger;
- Mr. JONATHAN Abdou, PRAPS Manager, MCA-Niger;
- Ms. GAMBO Halimatou, Private Sector Manager, MCA-Niger;
- Mr. MOUMOUNI Diafarou, MCA-Niger Irrigation Manager;
- Ms. ADA BOUREIMA Hadiza, Gender and Social Inclusion Specialist, MCA-Niger;
- Mrs. ZAKOU Aminatou Samake, Manager Services Management and Facilitation of Market Access, MCA-Niger;
- Ms GREENHALGH Emilie, Deputy Resident Director of the MCC in Niger;
- Mr. AMADOU Moussa, Coordinator of the Support Unit responsible for Monitoring Indicators.

Person acting as Chairman of the meeting: Mr. OUHOUMODOU Mahamadou, Chairman of the Board of Directors of MCA-Niger

Person acting as the Secretary of the meeting: Mr ANNOU Mamane, Director General of MCA-Niger

II. PROCEDURE

At the opening of the meeting at 10 am, the President noted, in accordance with Rule 3.12 (b) of MCA-Niger's Rules of Procedure, that a quorum is met through the presence of a majority of the voting members of the Council, amongst them at least one member who is not a representative of the Government. He therefore declared the meeting open.

He then appointed Mr. Mamane M. ANNOU, Director General of MCA-Niger, as Secretary of the meeting,

The Chairman finally recalled the agenda indicated in the notice of meeting addressed to the members.

Since no member of the Board of Directors made any amendments to this agenda, the Board adopted it on the following points:

1- Open Session

1.1- Open Session: for approval

- a) Reading of the board meeting notification and adoption of the Agenda;
- b) Approval of the minutes of the fifth ordinary meeting of the Board of Directors held on August 7th , 2018
- c) Approval of the update of the organization chart of MCA-Niger
- d) Approval of the Procurement Manual (Procurement Operations) Manual - POM)
- e) Approval of Bid Challenge System (BCS) procedure
- f) Approval of the update of the audit plan;
- g) Approval of the environmental assessment and social inclusion (ESIA) for the Konni project
- h) Approval of the Resettlement of Residents Action Plan (RAP) for the Sia-Kouanza project

1.2- Open Session: for information

- i) Submission of Special Resolutions Nos. 14 / 09-2018, 15 / 09-2018, 16 / 09-2018 and 17 / 10-2018
- J) Memorandum on Fertilizer Sector Reform
- (k) Memorandum on the Reform of Road Maintenance
- l) Status of MCA-Niger projects' work progress
- m) Signature of a Memorandum of Understanding between MCA-Niger and USADF
- n) Update of the Plan for Gender Integration and Social Inclusion (Social and Gender Integration Plan (PIMS))

2- Executive Session: for approval

- o) Update of the staff salary grid
- p} Allowance and compensation for expatriate staff

3- Miscellaneous

III. DEBATES AND DECISIONS ON THE ITEMS OF THE AGENDA

1-1. OPEN SESSION: For approval

1. Opening remarks and presentation of the agenda

Summary of the debates : The Chairman of the Board of Directors opened the sixth regular meeting of the MCA-Niger Board of Directors, stating that it will be an opportunity to present a progress report on the activities of the Compact program.

Mr Mamane M. ANNOU, Director General of MCA-Niger, secretary of the meeting, after having welcomed the participants, clarified the items on the agenda before giving back the floor to the President of the board for further work.

2. Approval of the Minutes of the fifth ordinary meeting of the Board of Directors held on August 07th , 2018

Summary of the discussions: The board noted a few shortcomings on the aforesaid minutes and immediately made the appropriate and relevant corrections.

The discussions on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 01.**

RESOLUTION N ° 01: The Board of Directors approves and adopts, unanimously of the members present, the minutes of its fifth ordinary meeting held on August 07th , 2018.

3 - Approval of the update of the MCA-Niger organization chart

Summary of the debates : The General Management presented to the board the changes made to the organization chart of MCA-Niger. These include the creation of a position of Expert in Internal Audit and Compliance and a position of Specialist in Computer Science and Technology. She also specified that a review of the internal organization was planned, to entrust the management of the fleet and drivers to the Security Advisor, place the Head of the Private Sector Engagement and the Head of Strategic Communication under the supervision of the General Management, and place the Senior Systems Administrator under the supervision of the Administrative and Financial Department.

The discussions on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 02.**

RESOLUTION No. 02: The Board of Directors approves and adopts, unanimously of the members present, the update of the organization chart of MCA-Niger

4 - Approval of MCA-Niger Procurement Operations Manual (MCA-Niger) Procurement Manual (POM)

Summary of the debates : From the outset, the Chairman noted that the document submitted to the Council is in English even though most members of the Council do not speak that language. He asked the General Management to ensure that documents translated into French will be sent to the board in the future.

The General Directorate, however, succinctly explained the content of the said document through a memorandum that it presented, prompting comments by the members of the Board.

Some members indicated that Niger has its own Public Procurement Code and a Directorate of Procurement under the authority of the Prime Minister.

Another remark concerned the remedies in the event of rejection of an offer. To all these observations, the General Management provided answers and clarifications.

The Chairman also pointed out that the MCA-Niger tenders follow a specific procedure in accordance with the Compact Agreement.

The debates on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 03.**

RESOLUTION No. 03: The Board of Directors approves and unanimously adopts the MCA-Niger Procurement Operations Manual (POM).

5 - Approval of the appeal procedure in case of rejection of an offer submitted to MCA-Niger (Bid Challenge System - BCS)

Summary of the debates : With regard to the BCS, the President of the board also observed that the document submitted to the Council is in English. The General Management, however, briefly explained the content, indicating that the adoption of this document was one of the preconditions for the next disbursement of funds for the activities of the Compact. In view of the urgency, the Chair proposed that the document be approved, and requested that a translation be made available to the Council at a later date.

The debates on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 04.**

RESOLUTION N ° 04: The Board of Directors approves and adopts, unanimously, the members present, the procedure of appeal in case of rejection of an offer submitted to MCA-Niger (Bid Challenge System - BCS).

6 - Approval of the update of the Audit Plan

Summary of the debates : The document being in English, while the adoption of the Audit Plan is a prerequisite for the next disbursement of the Compact funds, the Chair also suggested that it be adopted and requested that a translated version be transmitted to the Council.

The debates on this item having been concluded, the Chairman submitted to the vote the adoption of **Resolution No. 05**.

RESOLUTION N ° 05: The Board of Directors approves and adopts, unanimously, the members present, the update of the audit plan of MCA-Niger.

7 - Approval of the Environmental Assessment and Social Inclusion (EEIS) for the Konni project

Summary of the debates : The General Management presented a summary of the Environmental Assessment and Social Inclusion for the Konni project. She said that the study had already been validated by the MCC after a validation workshop held on the site of the project, only the approval of the BNEE remains pending.

Sequel to this presentation, some questions were asked about the silting and desensitization of the dune formed in the middle of the Mozagué dam, the drilling of drills for supplementary feeding during the dry season, the adequacy of the project with the Code. of Water and the National Action Plan for Integrated Water Resources Management (PANGIRE). Some members of the board stressed that, in the case of drip irrigation, the problem of Mozagué should be solved in order to preserve Cherassa and Tsernaoua: the desirability of a canal connecting the two pools was mentioned. The Directorate responded to these concerns by indicating that a number of methods and techniques for water conservation have been considered in the project. She recalled that the irrigation network of the area is degraded as a whole. However, the project will allow the exploitation of 2450 hectares in the rainy season and half in the dry season. He concluded by underlining that the resources available for the rehabilitation of the irrigated perimeter do not allow the desensitization of this perimeter.

As far as the concerns related to the duration of the works in Konni, the General Management reassured the members of the board as to the respect of the envisaged work schedule.

In the end, the President recommended the construction of a canal to feed the Zongo area, failing to sand out the perimeter. He suggested that the issue should be addressed during the next meeting of the Niger-Nigeria joint Commission for Cooperation.

The debates on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 06**.

RESOLUTION N ° 06: The Board of Directors approves and adopts, by unanimity of the members present, the Environmental Assessment and Social Inclusion for the Konni project.

8 - Approval of Resettlement Action Plan (RAP) for local residents for the Sia Kouanza-Tondika project

Summary of the debates : The General Management first recalled the objectives of the Sia Kouanza-Tondika project (construction of new developments to irrigate a perimeter of 2,618 hectares). The complex nature of the Sia Kouanza - Tondika file was then clarified: the consultant initially recruited to carry out the studies prior to the project did not realize, after 10 months of work, that 40% of the deliverables will have to be validated before the continuation. studies by the new Consultant recruited for this purpose. The members of the board asked for details concerning the schedule of the studies to be carried out. The General Management has provided answers indicating that the MCA-Niger is considering the mobilization of the new provider in January 2019. The availability of studies (Preliminary Draft Summary - APS) is scheduled for the second half of June 2019, and their validation in July 2019.

The discussions on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 07**.

RESOLUTION N ° 07: The Board of Directors approves and adopts, unanimously of the members present, the Resettlement Action Plan for local residents for the Sia Kouanza-Tondika project

1-2. OPEN SESSION: For information

9 - Presentation of Special Resolutions No. 14 / 09-2018. 15 / 09-2018. 16 / 09-2018 and 17 / 10-2018)

Summary of the debates : The Chairman recalled the various resolutions relating respectively to the approval of Amendment No. 7 to the Procurement Plan No. 3 of MCA-Niger for the period from February 1st, 2018 to January 31st, 2019, on the approval of Amendment No. 03 to Contract No. 01 / MCA / Niger / ADM / CB / 2018/34 between MCA-Niger and EUROWORLD INTERNATIONAL, on the approval of Amendment No. 04 to said Contract, and the approval of Amendment No. 5 to Contract No. DP / UC-PMC / Niger / QCBS / 04 between MCA-Niger and STUDI INTERNATIONAL for the exercise of the

optional section of the Contract. He confirmed their adoption by home consultation of Council members.

The debates on this Inquiry item having been covered, the Chairman moved on to the next item.

10 - Fertilizer Sector Reform Memorandum

Summary of the debates : The General Direction indicated that after phase I of the Fertilizer Sector Reform (adoption of the presidential decree n ° 2018/046 on January 12th, 2018), the IT phase denominated "Project of Support to the Reform of the Fertilizer Sector in Niger (PARSEN) "started with two deliverables already provided. These include the hired consultant's engagement plan, and the eighteen (18) month pilot phase work plan (November 2018 to March 2020). The national scaling phase will run from November 2019 to April 2021. The Council members expressed concern about the conditions for a successful implementation of the reform, the coverage area of the reform measures, the conformity of the partners' actions with the Government's action plan, the operationalization of the House of the Peasant, etc. It was recommended to convene a meeting among the various partners involved in the fertilizer sector around the Prime Minister to ensure the harmonization of their policies.

The debates on this Inquiry item having been covered, the Chairman moved on to the next item.

11-- Road Maintenance Reform Memorandum

Summary of the debates : The board has been informed of the establishment of the Road Maintenance Fund (FER) and the Roads Council since 1 December 2018. However, expected are the laws about the adoption of the bill of law amending the law 2017-037 of 22 May 2017 creating the Road Maintenance Fund (FER), the adoption of the bill of law creating the Project Management Agency for Road Maintenance (AMODER) and the adoption of the bill of Law establishing the Independent Audit Unit for Road Maintenance (CIACER).

In addition n, some concerns were expressed about the capacity, effectiveness, institutional anchoring of the CIACER to be funded by the ERF, and the risk of telescoping with other parallel structures. It was discussed whether such a structure exists in another country of the sub region; some members felt that it was irrelevant.

The General Management responded by stressing the interest of this structure for the MCC, stating that its implementation certainly militate in favor of the renewal of the Compact. She also pointed out that the CIACER should make it possible to make up for the current very failing system, with a low fund-raising capacity (toll fraud, misappropriation of funds collected or funds disbursed for maintenance works, poor execution of works of interview, etc.). The establishment of this autonomous agency would thus allow permanent and regular monitoring of the collection and use of funds allocated to road maintenance.

The debates on this item of information having been covered, the Chairman moved on to the next item.

12 - Memorandum on the state of implementation of the Compact program

Summary of debates : The General Management presented the Council with a progress report on the Compact projects. The Council members noted the good progress of the Program's activities. The General Management also requested the softening of the Council's rules of procedure and the adoption of measures facilitating the implementation of activities, such as a delegation of power from the President of the Council who is frequently on the move.

The debates on this item of information being covered , the Chairman moved on to the next point.

13 - Signature of a Memorandum of Understanding between MCA-Niger and USADF.

Summary of the debates : The document submitted in English, the Chairman suggested that a translation should be sent to the board members.

The debates on this last item of information having been covered, the President announced the beginning of the executive session.

II-EXECUTIVE SESSION: For approval

15 - Approval of the update of the MCA-Niger staff salary grid

Summary of the debates : The debates on this issue led to the need to adopt the update of the MCA-Niger staff salary grid.

The debates on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 08.**

RESOLUTION N ° 08: The Board of Directors approves and adopts, unanimously of the members present, the update of the salary grid of the MCA-Niger staff.

16- Approval of the allocation of benefits and compensation to expatriate staff of MCA-Niger.

Summary of the debates : The Board members agreed on the relevance of this issue, and the need to allocate benefits and compensation to MCA-Niger expatriate staff.

The debates on this item having been covered, the Chairman submitted to the vote the adoption of **Resolution No. 09.**

RESOLUTION N ° 09: The Board of Directors approves and adopts, by unanimity of the members present, the allocation of benefits and compensations to the expatriate staff of MCA-Niger subject to the favorable opinion of the MCC

MISCELLANEOUS

The Resident Director of the MCC in Niger informed Council members that five (05) West African countries, including Niger, were declared eligible by the MCC for the Regional Compact the previous week. Niger is therefore asked to propose with Benin a Regional Compact focusing on the road transport corridor between Cotonou and Niamey. She mentioned that this would certainly create a combination of policy and institutional reforms related to the investments that will be made.

She stressed that this Regional Compact must, to be valid, rely on the real difficulties that affect the two countries but also meet the standards and criteria of the MCC. She added that the validation of the Regional Compact is also linked to the performance achieved under the current Compact, particularly in the progress of certain activities and the fertilizer sector. In addition, the two countries should maintain their positive evaluation at the end of the MCC Scorecard throughout the implementation period.

The proposed program is expected to be approved by the MCC Investment Committee by June 2019. The Resident Director announced that a MCC technical team will conduct an initial validation visit in early 2019 to explain to governments of both countries the outline of this eventual Compact, as well as the parameters allowing its implementation. Finally, she indicated that the Director of Infrastructures of the MCC, the Resident Director of the MCC in Benin and herself are already available to support the process of setting up the Regional Compact.

As the agenda the board meeting was completely covered , the Chairman of the Board of Directors moved to declare closed the meeting at 1:30.pm

SIGNED by:

For MCA-Niger Mr. Mamane M. ANNOU, Secretary of the Session

Mr. OUHOUMODOU Mahamadou, Chairman of the Board