

CREDIT NUMBER 4625 -ML

FINANCING AGREEMENT

AGREEMENT dated _____, 2009 entered into between REPUBLIC OF MALI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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, the Original Financing Agreement, or this Agreement.
- 1.03. The Original Financing Agreement is amended as set out in Section II of the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to four million one hundred thousand Special Drawing Rights (SDR 4,100,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 2 to the original Financing Agreement, as amended hereby (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 1 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.
- 2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the HCNLS 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 1 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its minister at the time responsible for finance.

5.02. The Recipient's Address is:

Ministre de l'Economie et des Finances
Ministère de l'Economie et des Finances
BP. 234
Bamako
Mali

Facsimile :

223-20-228853

5.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Bamako, Mali, as of the day and year first above written.

REPUBLIC OF MALI

By /s/ Sanoussi Touré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alassane Diawara

Authorized Representative

SCHEDULE 1

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Sections 1 through 7 of Schedule 4 to the Original Financing Agreement are hereby incorporated by reference in this Part A as paragraphs 1 through 7 respectively, and shall apply, *mutatis mutandis*, to the Credit, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, subject, however, to the following modifications:

- (a) any reference to “Date of Effectiveness” shall be construed as a reference to “Effective Date”; and
- (b) any reference to any measure or action to be taken prior to the date of this Agreement shall be construed as a measure or action to be undertaken with effect from the Effective Date and according to the time frame indicated in the Original Financing Agreement.

2. The Recipient shall strengthen the HNCLS by no later than July 31, 2010 under terms of reference and with suitably qualified and experienced staff in adequate numbers and resources satisfactory to the Association so as to enable the HNCLS to carry out the tasks and responsibilities carried out by the CMA under the Project until July 31, 2010 at the latest.

B. Anti-Corruption

- 1. The Recipient shall ensure that:
 - (a) the Project shall be carried out in accordance with the provisions of the Anti-Corruption Guidelines; and
 - (b) in the case of Subprojects, the terms and conditions governing Subgrants and set forth in the respective CSO Subgrant Agreement or PS Subgrant Agreement, as the case may be, shall include a requirement on the part of the Beneficiary to carry out the Subproject in accordance with the

provisions of the Anti-Corruption Guidelines applicable to recipients of Credit proceeds other than the Recipient.

C. Safeguards

The Recipient shall ensure that the Project Reports referred to in Section II.A.1 (a) of this Schedule include information on the implementation of the Medical Waste Management Plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall 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 the indicators set forth in Schedule 6 to the Original Financing Agreement, as amended pursuant to paragraph 6 of Section II of the Appendix to this Agreement. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

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 of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited consolidated financial reports for the Project covering the quarter, 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 (1) 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

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** (a) Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

(b) The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
<i>(a) Limited International Bidding</i>
<i>(b) National Competitive Bidding</i>
<i>(c) Shopping</i>

<i>(d) Direct Contracting</i>
<i>(e) Procurement from United Nations Agencies</i>
<i>(f) Community Participation in Procurement</i>

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. (a) Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

(b) For the purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for consulting services estimated to cost less than \$200,000 equivalent, per contract, may include only consultants from the country of the Borrower.

2. Other Methods of Procurement of Consultants' Services. The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
<i>(a) Selection under a Fixed Budget</i>
<i>(b) Least-Cost Selection</i>
<i>(c) Selection Based on Consultants' Qualifications</i>
<i>(d) Single Source Selection</i>
<i>(e) Individual Consultants</i>

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the 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 Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works, Goods, Consultants; Services and Operating Costs	3,300,000	100%
(2) Subprojects	800,000	100% of amounts disbursed
TOTAL AMOUNT	4,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is July 31, 2011.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing September 15, 2019 to and including March 15, 2029	1%
commencing September 15, 2029 to and including March 15, 2049	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
3. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
4. “Original Financing Agreement” means the development grant agreement for a Multi-Sectoral HIV / AIDS Project between the Recipient and the Association, dated June 24, 2004, as amended to the date of this Agreement (Grant No. H099 MLI).
5. “Original Project” means the Project described in the Original Financing Agreement, as amended pursuant to Section II of this Appendix.
6. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
7. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 6, 2004, as revised as of April 20, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

Section II. Amendment to Original Financing Agreement

The Original Financing Agreement is amended as set forth below.

1. Section 1.02 is amended by inserting therein in their appropriate alphabetical order the following new definitions (b), (e), (k), (p) and (hh), the existing definitions being renumbered accordingly:
 - (b) “ARV” means Anti-Retroviral Drugs.
 - (e) “CSCOM” or “Community Health Center” means the Recipient’s entity established and operating pursuant to the Recipient’s Decree No. 05 - 299 /P-RM of June 28, 2005 establishing the conditions for the establishment and fundamental principles of operation of community health centers.
 - (k) “Fiscal Year” means the period from January 1 to December 31.
 - (p) “Most-at-risk-Population” means the population in the territory of the Recipient that includes groups exposed at concentrated risk behaviors for HIV, and includes female sex workers and their clients, injecting drug users, men who have sex with men, miners, truck drivers, seasonal workers, female ambulatory vendors and female domestic employees.
 - (hh) “VCT” means Voluntary Counseling and Testing.
2. Section 2.05 to the Original Financing Agreement is amended to read as follows:

“Section 2.05. The Closing Date shall be July 31, 2011, or such later date as the Association shall establish. The Association shall promptly notify the Recipient of such later date.”
3. Paragraph 1 of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“The objective of the Project is to contribute to the Recipient’s multi-sectoral efforts to control the spread of the HIV/AIDS epidemic by improving access to prevention, treatment, and care particularly for the Most-At-Risk-Population (MARP) and those infected with or affected by HIV/AIDS through:
(a) strengthening the Recipient’s national response to the HIV/AIDS epidemic by improving its evidence base, coordination, implementation and monitoring and evaluation capacity; (b) raising the level of awareness on HIV/AIDS through the implementation of a comprehensive sensitization plan targeting Most-At-Risk-Population; (c) providing access to testing and counseling facilities; and (d) providing access to treatment, care and psychosocial support to persons infected with or affected by HIV/AIDS.”

4. Paragraph 2 of Part A of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“2. Provision of support to MOH and CSCOMS to fight the HIV/AIDS epidemic, through:

(a) strengthening the capacity of MOH and CSCOMS to carry out epidemiological surveillance and operational research, and bio-medical waste management; and
(b) expansion of the network of voluntary testing and counseling centers in CSOMS, of ARVs and related treatments, and of laboratory support services.”

5. Part A of Schedule 2 to the Original Financing Agreement is amended by adding therein a new paragraph 3 as follows:

“3. Provision of equipment and training to twenty-five (25) health centers to operate as HIV/AIDS treatment centers.”

6. Part B of Schedule 2 to the Original Financing Agreement is amended by adding therein a new paragraph 3 as follows:

“3. Provision of equipment and training to health centers in selected major private companies to operate as HIV/AIDS treatment centers for the companies’ personnel, their families and the local population.”

7. Paragraph (d) of Section 1 of Schedule 4 to the Original Financing Agreement is amended as follows:

“(d) without limitation to the generality of paragraph (c) above, HCNLS shall recruit under terms of reference acceptable to the Association a CMA and FMA. The respective contracts entered into with the CMA and FMA must be in a form and substance that is satisfactory to the Association, with terms and conditions that shall include, *inter alia*, a clear delineation of their respective responsibilities and the obligation to implement the Project in accordance with the PIM, dated performance targets and monitoring indicators and progress reporting obligations until at the latest July 31, 2010 for CMA and until the completion of the Project for FMA.”

8. The Table in Schedule 6 is revised, as set forth in the Table below:

No.	Indicator
1.	At least 15,000 orphans attend school regularly.
2.	At least 9,000 PLWA medically eligible for treatment (CD4 count less than 200) are under ARV prophylaxis (PTME).
3.	At least 55,000 people aged 15 and older received counseling and testing (VCT) for HIV and received their test results.
4.	60% of HIV+ pregnant women assisted for prenatal care received ARV prophylaxis (PTME) by end of Project.
5.	257 reference centers (circles & communes) and 400 CSCOM offer testing and counseling by end of Project.
6.	160 reference centers (circles & communes) and 400 CSCOM structures have means to dispose of medical waste by the end of the Project.
7.	At least 100 enterprises and business associations have implemented HIV/AIDS action plan by the end of the Project.
8.	Number of private centers offering VCT services increased from 15 to 25.
9.	7,000 patients with access to treatment monitoring services by private laboratory.
10.	15,000 of commercial sex workers and other Most-at-risk-population receiving services from subprojects.
11.	At least 25 sub-projects implemented among commercial sex workers and/or high risk groups (truck drivers, ambulatory vendors, military/police staff) annually.