

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4617-ML

Financing Agreement

(Energy Support Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 26, 2009

Public Disclosure Authorized

CREDIT NUMBER 4617-ML

FINANCING AGREEMENT

AGREEMENT dated June 26, 2009, entered into between REPUBLIC of MALI (“Recipient”) and 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 — 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 eighty million seven hundred thousand Special Drawing Rights (SDR 80,700,000) (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 Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 1 and September 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts B and C.2 of the Project through the MEW, and Parts C.3 through the CREE; and cause Parts A and C.1 of the Project to be carried out by the Project Implementing Entity; all in accordance with the provisions of Article IV of the General Conditions and, in respect of the Parts A and C.1, the Project Agreement.
- 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.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement
 - (b) The Project Implementing Entity's Recovery Plan has not been implemented in accordance with its terms or has been revised, in either case in such a manner as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
 - (c) In the opinion of the Association, after the date of the Letter of Sector Policy:
 - (i) any of the actions specified in the Letter of Sector Policy has been materially and adversely modified without the prior written approval of the Association; or

(ii) the Recipient has taken any action, or has omitted to take any action, that has materially and adversely affected the intent or purposes of the Letter of Sector Policy, or the realization of the plan of actions set forth in said Letter or a significant part thereof without the prior written approval of the Association.

4.02. The Additional Events of Acceleration consist of the following:

- (a) The event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
- (b) The Recipient has adopted a Project Implementation Manual in a form and substance satisfactory to the Association.
- (c) The Recipient has appointed the following staff of the Project Coordination Unit (*Cellule de Coordination du Projet*) (CCP), under terms of reference and with qualifications and experience satisfactory to the Association: a financial management specialist and a procurement specialist.
- (d) The Recipient has established a financial management system that is satisfactory to the Association and in accordance with Section II.B of Schedule 2 to this Agreement; and
- (e) The Project Implementing Entity has appointed the environmental and social safeguard staff referred to in Section I.A.1 of the Schedule to the Project Agreement, under terms of reference and with qualifications and experience satisfactory to the Association.
- (f) The Project Implementing Entity has adopted the Restructuring Plan in form and substance satisfactory to the Association.

- 5.02. The Additional Legal Matter consists of the following:
- (a) The Subsidiary Agreement has been duly authorized by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of the Recipient in charge of finance.

6.02. The Recipient's Address is:

Ministry of Finance
BP 234
Quartier du Fleuve
Bamako, Mali

Facsimile:

223-20-221914 / 20-231654

6.03. 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/ Alassane Diawara

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Sanoussi Touré

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the access and efficiency of electricity services in Bamako and in other targeted areas of the country.

The Project consists of the following parts:

Part A: Transmission and distribution reinforcement and extension

Carrying out of annual work programs of works, and provision of goods required for the purpose, to:

1. upgrade the electricity transmission line between Segou and Bamako.
2. upgrade and reinforce 30 KV facilities in the peripheral area of Bamako, including the 150 KV loop.
3. upgrade and reinforce low and medium voltage distribution networks in Bamako.
4. upgrade and reinforce medium and low voltage distribution networks in areas of, among other, Kati, Segou, Kayes, Mopti, Sikasso and Koutiala.
5. connection to the main grid of the localities of Ouléssébougou and Kangaba currently supplied by isolated diesel units.

Part B: Energy efficiency and demand-side management

1. Development and implementation of the following programs to improve residential, public buildings and street lighting efficiency, and provision of goods required for the purpose:
 - (a) a residential lighting program to replace incandescent or neon light bulbs with compact fluorescent lamps (CFLs), in urban and rural households.
 - (b) a street lighting program to replace incandescent or neon light bulbs by CFLs and/or high pressure sodium vapor lamps, in key urban and rural centers.

- (c) a public facilities' lighting program to replace incandescent light bulbs by CFLs.
- 2. Development of an overall energy efficiency strategy and regulatory framework to introduce energy efficient products and implementation of related public awareness programs, and provision of goods required for the purpose.

Part C: Capacity building and institutional strengthening of key energy sector institutions

Carrying out of the following capacity building and institutional strengthening programs, including the provision of goods required for the purpose:

- 1. a program to improve the Project Implementing Entity's operational and financial performance through: (a) the implementation of the Restructuring Plan; and (b) capacity building.
- 2. a program to enhance the capacity of the MEW to assess, monitor, evaluate and make recommendations with regard to, energy sector strategy development and planning, governance, environmental and social safeguards, and public dissemination activities.
- 3. a program to enhance the capacity of CREE to improve its regulatory tasks with regard to the electricity and water sectors.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Recipient, through the MEW, shall ensure that the appropriate departments in the MEW shall oversee the overall implementation and management of the Project, with due diligence and efficiency, and in accordance with the Project Implementation Manual.

2. The Recipient shall maintain the CCP, within the MEW, throughout the implementation of the Project under terms of reference and with suitably qualified and experienced staff in adequate numbers and resources satisfactory to the Association, to be responsible for the day-to-day management and coordination of the Project, including:

- (a) preparation of withdrawal applications for the Financing;
- (b) preparation of the Annual Work Plans;
- (c) management of the Special Account;
- (d) maintenance of records and accounts related to the Project and arranging for the audit thereof;
- (e) participation in the administration of bidding procedures and of contracts under the Project;
- (f) preparation of consolidated quarterly progress reports and submission thereof to the Association not later than 45 days after the end of each quarter, the first such report to be furnished to the Association not later than February 15, 2010;
- (g) monitoring, supervision and evaluation activities related to Project; and
- (h) organizing consultation workshops and training with the entities involved in providing support to the electricity sector.

3. The Recipient shall maintain throughout the implementation of the Project, the Commission for the Regulation of Water and Electricity (*Commission de Régulation d'Eau et d'Electricité*) (CREE), in accordance with its mandate, in terms satisfactory to the Association, to ensure that the legal and regulatory framework of the electricity sector is implemented and improved.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project Implementing Entity's Respective Part of the Project, the Recipient shall make the proceeds of the Subsidiary Financing available to the Project Implementing Entity ("Subsidiary Credit") under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include, *inter alia*: (a) the principal amount of the Subsidiary Financing shall be denominated and repaid in XOF; (b) the principal amount of the Subsidiary Financing withdrawn and outstanding shall be repayable over a period of 27 years, inclusive of a grace period of 7 years; and (c) interest shall be payable on the amount of the Subsidiary Financing withdrawn and outstanding from time to time at a rate equal to 2,5%; and (b) the Recipient's right to suspend, terminate or accelerate, or seek refund, of the Subsidiary Finance to the Project Implementing Entity in the event the Project Implementing Entity fails to perform its obligations under the Subsidiary Agreement.

2. The Recipient shall exercise its rights 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 shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Annual Work Plans

1. The Recipient shall prepare, under terms of reference acceptable to the Association, and furnish to the Association not later than January 31 in each calendar year, an Annual Work Plan of activities proposed for inclusion in the Project during the following calendar year, together with a budget for such activities and a timetable for their implementation.

2. The Recipient shall exchange views with the Association on such proposed work plan, and shall thereafter adopt by not later than March 31 in each calendar year, and carry out such Annual Work Plan for the ongoing calendar year as shall have been approved by the Association.

3. Only such Annual Work Plan of activities as shall have been approved by the Association shall be eligible for inclusion in the Project and financing out of the proceeds of the Financing.

D. Anti-Corruption

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

E. Manual

1. Except as the Association shall otherwise agree, the Recipient shall: (i) carry out, the Project in accordance with the Project Implementation Manual; and (ii) not amend, abrogate; or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.

2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

F. Safeguards

1. The Recipient shall ensure that Parts A and B of the Project are implemented in accordance with the provisions of the Environmental and the Social Management Framework (ESMF), and Resettlement Policy Framework (RPF), and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.

2. If any activity proposed to be included in an Annual Work Plan under the Project would, pursuant to the ESMF, require the adoption of an Environmental Management Plan (EMP) and/or, pursuant to the RPF, a Resettlement Action Plan (RAP), the Recipient shall ensure that: (i) such EMP and/or RAP (as the case may be) shall be developed and included with such proposed Annual Work Plan and submitted to the Association for review and approval, and, thereafter, adopted, prior to the implementation of the Annual Work Plan; and (ii) thereafter take such measures as may be necessary or appropriate to comply with the requirements or such EMP or RAP, as the case may be.

3. If any activity proposed to be included in an Annual Work Plan under the Project would involve any involuntary restriction or access to legally designated parks or protected areas, the Recipient shall ensure that:

(a) a process framework acceptable to the Association (PF) is prepared in accordance with the RPF, describing:

(i) the participatory process by which: (A) the activity will be prepared and implemented; (B) the criteria for eligibility of Displaced Persons will be determined; (C) measures to assist the Displaced Persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and (D) potential conflicts involving the Displaced Persons will be resolved; and

(ii) the arrangements for implementing and monitoring the process.

(b) thereafter, the Annual Work Plan is implemented in accordance with such PF.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association on a quarterly basis reports on the status of compliance with the ESMF, RPF, ESIAs, EMPs, RAPs and PFs, if any, and give details of: (a) measures taken in furtherance of such ESMF, RPF, ESIAs, EMPs, RAPs and PFs, if any, (b) conditions, if any, which interfere or threaten to interfere with the implementation of such ESMF, RPF, ESIAs, EMPs, RAPs and PFs, if any, and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event of any conflict between the provisions of the ESMF, or the RPF, or ESIAs, or EMPs or RAPs, if any, and those of this Agreement, the provisions of this Agreement shall prevail.

6. The Recipient shall ensure that all legal and administrative urban planning and environmental permits and authorizations necessary to carry out Parts A and B of the Project are secured in a timely manner and with due diligence in compliance with the laws of the Recipient.

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 below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one 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) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) Increase in the number of households connected to electricity provided by the Project Implementing Entity in Bamako from 252,000 households to 382,000 households.
 - (ii) Increase in the number of households connected to electricity provided by the Project Implementing Entity in other targeted areas of the country from 131,000 households to 182,000 households.
 - (iii) Reduction of technical losses from 12 percent to 10 percent.
 - (iv) Reduction of non-technical losses from 7 percent to 5 percent.
 - (v) Number of compact fluorescent lamps (CFLs) by households goes from from zero to 1,000,000.
 - (vi) Number of efficient lamps installed for public lighting goes from zero to 15,000.
 - (vii) Level of reduction of peak demand goes from 0 to 20 MW following investments in energy efficiency.

- (c) The Recipient shall: (i) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about December 15, 2012 a report integrating the results of the monitoring and evaluation activities performed pursuant to sub-paragraph (a) of this paragraph, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
- (ii) review with the Association, by February 15, 2013 or such later date as the Association shall request, the report referred to in sub-paragraph (i) of this paragraph, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

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 as part of the Project Report not later than 45 days after the end of each calendar quarter, interim unaudited 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 Fiscal Year of the Recipient, commencing with the Fiscal Year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six 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.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Work.** 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 |
|---|
| (a) <i>National Competitive Bidding</i> |
| (b) <i>Direct contracting</i> |
| (c) <i>Shopping</i> |

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** 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.

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 |
|---|
| (a) <i>Quality-Based Selection</i> |
| (b) <i>Consultant Qualification-Based Selection</i> |
| (c) <i>Least Cost Selection</i> |
| (d) <i>Selection under Fixed Budget</i> |
| (e) <i>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) Goods, works consultants’ services, including Training, and Operating Costs for Parts A and C.1 of the Project | 72,900,000 | 100% |
| (2) Goods, works, consultants’ services, including Training, and Operating Costs for Parts B and C.2 and C.3 of the Project | 7,800,000 | 100% |
| TOTAL AMOUNT | 80,700,000 | |

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 September 30, 2014.

Section V. Other Undertakings: Pricing of Electricity Services

1. (a) The Recipient and the Association shall, from time to time, at the request of either party, exchange views with regard to the Recipient’s pricing policies and its plans in respect of the overall development of the electricity sector.

(b) The Recipient agrees, as long as it exercises control over the setting of prices of the Project Implementing Entity, to establish prices for electricity sold by such entity which would: (i) allow the Project Implementing Entity, under conditions of efficient operation at reasonable levels of capacity utilization, to cover their operating costs including taxes, earn an adequate return on funds invested in them, meet their financial obligations and make a reasonable contribution to future investment for expansion of capacity; and (ii) subject to the achievement of the objective (i) above, pass on the benefit of declines in the real costs of production to electricity consumers through reduction in prices in real terms.

2. (a) To facilitate the implementation of the paragraph 1 (b) of this Section, the Recipient shall, on the basis of technical recommendation of the CREE, adopt an adjustment clause for fuel and other exogenous factors as well as efficiency incitation factors for electricity tariff adjustment to compensate for the difference between, among others: (i) the actual average cost of generation for the Project Implementing Entity; and (ii) the forecast average cost of generation in the Restructuring Plan and which shall take into consideration the differences in cost between: (A) actual cost of fuel in the Recipient's territory (for heavy fuel oil (HFO), and diesel) versus forecast; and (B) actual generation mix (repartition between generation sources: HFO, diesel, hydro, and imports of fuel from neighboring countries) versus forecast, all under terms satisfactory to the Association.

(b) The fuel adjustment clause shall be revised on an annual basis by not later than December 31.

SCHEDULE 3**Repayment Schedule**

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

1. “Annual Work Plan” means each work plan approved by the Association under Section I. C of Schedule 2 to this Agreement for inclusion in the Project.
2. “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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Project Coordination Unit” or “CCP” means the Recipient’s unit established within the MEW (as defined hereinafter), *Cellule de Coordination du Projet*, pursuant to the Recipient’s Decision No. 00228/MEME-SG of March 17, 2009, or any successor thereto.
5. “Committee for the Regulation of Electricity” or “CREE” means the Recipient’s committee in charge of the regulation of electricity and water, *Commission de Regulation de l’Eau et l’Electricité*, established pursuant to the Recipient’s law No. 00-080 of December 22, 2000, or any successor thereto.
6. “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.
7. “Displaced Person” means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (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 such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

8. “Environmental Management Plan” or “EMP” means an environmental management plan required pursuant to the ESMF for an activity proposed to be included in an Annual Work Plan under the Project, which is acceptable to the Association, giving details of measures appropriate or required to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, together with budget and costs estimates, sources of funding, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, such environmental management plan, and referred to in Section I.F.2 of Schedule 2 to this Agreement and “EMPs” means all of them collectively.
9. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s framework, dated April 14, 2009, setting out the rules, guidelines and procedures to assess environmental and social impacts of the Project’s activities, and measures to reduce, mitigate or offset adverse environmental impacts and enhance positive impacts of said activities including public consultation, institutional arrangements for the implementation, monitoring and supervision of said measures and as the same may be amended from time to time with the prior written approval of the Association”.
10. “Environmental and Social Impact Assessment” or “ESIA” means an environmental and social impact assessment of a particular activity proposed to be included in an Annual Work Plan under the Project, required pursuant to the ESMF, which is acceptable to the Association, giving details of the status of the natural and social environment, and potential risks and adverse impacts thereto, which are specific to the activity, along with proposed mitigation measures, and referred to in Section I.F of Schedule 2 to this Agreement and “ESIAs” means all of them collectively.
11. “Fiscal Year” means the period between January 1 and December 31.
12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
13. “Letter of Sector Policy” means the *Lettre de Politique Sectorielle* setting forth the Recipient’s policy for the energy sector, dated March 2009, adopted by the Government of Mali on April 8, 2009 and signed by the Recipient’s Minister of Energy, Mining and Water on April 8, 2009 (No. 01151/MEME SG).

14. “MEW” means the Recipient’s Ministry of Electricity and Water, or any successor thereof.
15. “Operating Costs” means the incremental expenses, included in the Annual Work Plans, and incurred by the Recipient on account of Project implementation, management, and monitoring, for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision (including supervision activities in connection with Part B.1 of the Project), salaries and statutory contributions of contractual and temporary staff (including microfinance inspectors), but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 30, 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.
18. “Project Implementation Manual” means the manual which outlines, *inter alia*, the operational, institutional, financial management, procurement, environmental and social safeguards, accounting and disbursement arrangements for the implementation of the Project 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 approval of the Association, and such term includes any schedules to the manual.
19. “Project Implementing Entity” means “*Energie du Mali S.A.*”, a public enterprise registered under the Bamako Registry of Commerce under No. 1326 and operating under its updated status of January 18, 2006, approved by the General Assembly of Shareholders of January 18, 2006.
20. “Project Implementing Entity’s Legislation” means: (i) Ordinance No. 00-019/P-RM of March 15, 2000 on Electricity Sector Organisation and Decree No. 00-184/P-RM of April 14, 2000; (ii) Ordinance No. 00-020/P-RM of March 15, 2000 on Drinking Water Sector Organisation and Decree No. 00-183/P-RM of April 14, 2000; (iii) Electricity Concessional Contract signed on November 21, 2000 by *Electricité du Mali S.A.* and the Government; and (iv) Water Concessional Contract signed on November 21, 2000 by *Electricité du Mali S.A.* and the Government.

21. “Resettlement Action Plan” or “RAP” means the resettlement action plan for a particular activity proposed to be included in an Annual Work Plan under the Project, required pursuant the Resettlement Policy Framework (as defined hereinafter), and which is satisfactory to the Association, describing the social impacts of such activity and providing measures for the compensation, resettlement and rehabilitation of Displaced Persons including institutional arrangements for implementation, supervision and monitoring of such measures, budget, environmental protection, participation and consultation of Displaced Persons and grievance processes available to them and referred to in Section I.F of Schedule 2 to this Agreement, as such plan may be amended from time to time with the prior written approval of the Association and “RAPs” means all of them collectively.
22. “Resettlement Policy Framework” or “RPF” means the Recipient's policy framework dated April 14, 2009, providing procedures and guidelines for the preparation, adoption, implementation, supervision and monitoring of a Resettlement Action Plan or Plans and referred to in Section I.F of Schedule 2 to this Agreement, as said Framework may be amended from time to time with the prior written approval of the Association.
23. “Restructuring Plan” means the plan entitled “*Plan de Redressement 2009-2012 de EDM-SA*”, communicated to the Association on March 19, 2009 to be adopted by the Board of the Project Implementing Entity, referred to in Section 5.01 (f) of this Agreement and Part C of the Project.
24. “Subsidiary Agreement” means the agreement referred to in Section 5.01(a) of the Agreement and Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the Subsidiary Financing available to the Project Implementing Entity, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Agreement.
25. “Subsidiary Financing” means the amount of the Financing allocated from time to time to Category (1).
26. “Training” means the training and training-related activities included in the Annual Work Plan, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers’ fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.
27. “XOF” means the African Financial Community Franc.

