**CONFORMED COPY** 

**CREDIT NUMBER 3583-1-MLI** 

# **Financing Agreement**

(Additional Financing for Agricultural Services and Producer Organizations Project)

between

**REPUBLIC OF MALI** 

and

## INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 5, 2007

#### CREDIT NUMBER 3583-1-MLI

#### FINANCING AGREEMENT

AGREEMENT dated June 5, 2007, entered into between REPUBLIC OF MALI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for 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, in the Appendix to this Agreement, or in the Original Financing 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 thirteen million three hundred thousand Special Drawing Rights (SDR 13,300,000) ("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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 February 1 and August 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in Schedule 3 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 ministry at the time responsible for agriculture 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 the Schedule 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 the minister at the time responsible for finance.
- 5.02. The Recipient's Address is:

Ministry of the Economy and Finance P. O. Box 234 Bamako Mali

Telex: Facsimile:

2559MJ	223-222-14-88
	223-222-07-93

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/ Abou-Bakar Traoré

Authorized Representative

## INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alassane Diawara

Authorized Representative

#### SCHEDULE 1

#### **Project Description**

The objective of the Project is to assist the Recipient in alleviating rural poverty through measures designed to sustain productivity increases in agricultural and nonagricultural activities, notably, the establishment of an institutional framework conducive to efficient agricultural service delivery to producers through the provision of support to the decentralization of core public services, promotion of private sector participation, and empowerment of producer organizations.

The Project consists of the Original Project and the following additional parts:

- 1. Public Services and Project Coordination
  - (a) Finalization of central and decentralized organizational framework of ministries at the time responsible for agriculture, livestock, and the environment, respectively, and the Food Security Commissariat.
  - (b) Carrying out of public expenditure review and elaboration of medium term expenditure framework.
  - (c) Project coordination, including financial management, procurement, and monitoring and evaluation.
- 2. <u>National Agricultural Research System</u>
  - (a) Provision of institutional support to research institutions and carrying out of medium- and long-term strategic research programs.
  - (b) Provision of Research Subproject Grants to research institutions for financing of Research Subprojects involving strategic, applied, or producer-demand-driven research.
  - (c) Contract execution by research institutions of research relating to technology-transfer scale-up initiatives in biotechnology, livestock and poultry production, cowpea variety improvement, water management, and crop diversification.
- 3. <u>National Agricultural Extension System</u>

Contract execution by Recipient agents and private providers of extension activities relating particularly to technology-transfer scale-up initiatives.

#### 4. <u>Producer Organizations</u>

- (a) Capacity-building activities for Producer Organizations in relation to identification and elaboration of research and extension programs.
- (b) Provision of support to implementation of technology-transfer scale-up initiatives such as through selection of beneficiaries of said initiatives and communication, collaboration, and training activities.
- (c) Provision of Producer Investment Subproject Grants to Producer Organizations for financing of Producer Investment Subprojects promoting innovations, particularly those relating to technology-transfer scale-up initiatives, such as with regard to production techniques, including farmlevel water management practices, post-harvest technologies, small-scale irrigation, and public equipment and infrastructure under management of Producer Organizations or water-user associations.

#### SCHEDULE 2

#### **Project Execution**

#### Section I. <u>Implementation Arrangements</u>

#### A. Institutional Arrangements

- 1. The Recipient's ministry at the time responsible for agriculture shall coordinate and supervise Project implementation.
- 2. The Recipient shall maintain, under the supervisory authority of said ministry, throughout Project implementation, the following entities, with terms of reference, personnel, resources, and functions satisfactory to the Association:
  - (a) The <u>Orientation and Steering Committee</u>, which shall be responsible for policy guidance in respect of Project implementation.
  - (b) The <u>Administrative and Financial Directorate</u> of said ministry and the <u>Project Coordination Unit</u>, which shall be responsible for administrative and financial management under Parts 1 and 4 of the Project.
  - (c) The <u>Institutional Development Commissariat</u>, which shall be responsible for implementation of Part 1 of the Project.
  - (d) The <u>National Agricultural Research Committee</u>, which shall be responsible for implementation of and administrative and financial management under Part 2 of the Project.
  - (e) The <u>National Directorate of Agriculture</u>, which shall be responsible for implementation of and administrative and financial management under Part 3 of the Project.
  - (f) The <u>Permanent Agriculture Chambers' Assembly of Mali</u>, which shall be responsible for implementation of Part 4 of the Project.

## B. Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project, including any Subprojects, in accordance with the Project Operational Manual; and (ii) except as the Association shall otherwise agree, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, in a manner which, in the opinion of the Association, may materially or adversely affect Project implementation or achievement of the objective thereof.

## C. Anti-Corruption

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

## D. Safeguards

The Recipient shall ensure that the Project, including any Subprojects, is implemented in accordance with the provisions of the Environmental Management Plan, including its Pest Management Plan, 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 if such amendment or waiver may, in the opinion of the Association, materially or adversely affect Project implementation, including implementation of any Subprojects, or achievement of the objective thereof.

## E. Subprojects

1. <u>General</u>

Without limitation upon the provisions of Section I.A of this Schedule, the Recipient shall appraise, approve, and monitor Subprojects in accordance with the provisions of this Section and the Project Operational Manual.

## 2. <u>Eligibility Criteria and Procedures for Subprojects</u>

- (a) No proposed Subproject shall be eligible for financing under the Project unless the respective Project Implementing Entity has determined, on the basis of an appraisal conducted in accordance with this Section and the Project Operational Manual, that the proposed Subproject satisfies the eligibility criteria specified below and in further detail in the Project Operational Manual, which shall include, *inter alia*, the following:
  - the proposed Subproject shall be initiated by a research institution in the case of a Research Subproject and a Producer Organization in the case of a Producer Investment Subproject, each of which entity meets the eligibility criteria specified in the Project Operational Manual, and such entity shall be eligible for subsequent Subproject Grants if it has completed the Subproject to the satisfaction of the Recipient and the Association;

- (ii) the proposed Subproject shall be for, but not limited to, activities set forth under Part 2 (b) of the Project in the case of a Research Subproject and Part 4 (c) of the Project in the case of a Producer Investment Subproject, and further detailed in the Project Operational Manual;
- (iii) the investment cost of each approved Subproject shall not exceed \$40,000 equivalent, except as previously agreed with the Association; and
- (iv) the financing of the proposed Subproject shall be fully covered by the sum of the Subproject Grant and the Beneficiary's contribution.
- (b) No proposed Subproject shall be eligible for financing under the Project if the respective Project Implementing Entity has determined, on the basis of an appraisal conducted in accordance with this Section and the Project Operational Manual, that the proposed Subproject satisfies any of the non-eligibility criteria specified below and in further detail in the Project Operational Manual, which shall include, *inter alia*, the following:
  - (i) the proposed Subproject shall be for activities relating to the production of tobacco or hallucinogen plants; and
  - (ii) the proposed Subproject shall be for investments not proven to be in compliance with applicable land law.

## 3. Terms and Conditions of Subproject Grant Agreements

- (a) A Subproject shall be carried out pursuant to a Subproject Grant Agreement, to be concluded between the respective Project Implementing Entity, on behalf of the Recipient, and a Beneficiary, under terms and conditions, satisfactory to the Association, described in further detail in the Project Operational Manual, which, *inter alia*, shall include the following:
  - the obligation of the Beneficiary to contribute, in cash or in kind, a minimum proportion of the projected Subproject costs as set out in the Project Operational Manual;

- (ii) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, environmental, financial, and managerial practices; and (B) maintain adequate records to reflect, in accordance sound accounting practices, the resources, operations, and expenditures relating to the Subproject;
- (iii) the requirement that the goods, works, and consultants' services to be financed from the proceeds of the Subproject Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Subproject; and
- (iv) the right of the respective Project Implementing Entity, on behalf of the Recipient, and of the Recipient in its own right, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants, and construction included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of Subprojects; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Subproject Grant upon failure by the Beneficiary to perform any of its obligations under the Subproject Grant Agreement.
- (b) The respective Project Implementing Entity, or the Recipient, as the case may be, shall exercise its rights under the Subproject Grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Subproject Grant Agreement or any substantive provision thereof.

## Section II. <u>Project Monitoring, Reporting and Evaluation</u>

#### 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 (1) calendar quarter, 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:

Indicator	Closing Date
Project Objective:	
(1) Percentage of farms benefiting from new Guéra goat breed having reached productivity level of 1.5 liters of milk per day	75
(2) Percentage of targeted cowpea producers having increased net profit per hectare by at least 20 percent	70
Part 1 of Project:	
Percentage of decentralized staff of ministry responsible for agriculture	65
Part 2 of Project:	
Number of tons of cowpea seeds available for multiplication	8
Part 3 of Project:	
Percentage of targeted cowpea producers having reached yield of at least 700 kilograms per hectare	75
Part 4 of Project:	
Percentage of certified cowpea seeds produced in Recipient's territory	60

## 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, 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 (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. <u>Procurement</u>

## A. General

- 1. Goods, Works, and Non-Consulting Services. All goods, works, and nonconsulting 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 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, Works, and Non-Consulting Services

- 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, Works, and Non-Consulting Services. The following table specifies the methods of procurement, other than

International Competitive Bidding, which may be used for goods, non-consulting services, and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Limited International Bidding
(b) National Competitive Bidding
(c) Shopping
(d) Direct Contracting

## 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) Selection under a Fixed Budget	
(b) Least Cost Selection	
(c) Selection Based on Consultants' Qualifications	
(d) Single Source Selection	
(e) Selection of Individual Consultants	

## **D.** Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the technical specifications for each contract for goods or works, the description of services for each contract for non-consulting services, the terms of reference for each contract for consultants' services, and the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods or non-consulting services estimated to cost the equivalent of \$200,000 or more; (b) each contract for works estimated to cost the equivalent of \$500,000 or more; (c) the first three (3) contracts for goods, non-consulting services, or works procured on the basis of National Competitive Bidding and Shopping, respectively; (d) each contract for goods, non-consulting services, or works procured on the basis of Direct Contracting; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (f) each contract for consultants' services provided by an individual consultant estimated to cost the equivalent of \$200,000 or more; (f) each contract for consultants' services provided by a firm or an individual consultant) procured on

the basis of Single Source Selection. All other contracts shall be subject to Post Review by the Association.

## Section IV. <u>Withdrawal of the Proceeds of the Financing</u>

### 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 100 percent of Eligible Expenditures.
- 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 Credit 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 (Exclusive of Taxes)
(1) Works:		80
(a) Part 1 of Project	0	
(b) Part 2 of Project	0	
(c) Part 3 of Project	0	
(d) Part 4 of Project	0	
(2) Goods:		100% of Foreign
(a) Part 1 of Project	445,000	Expenditures and 90% of
(b) Part 2 of Project	103,000	Local Expenditures
(c) Part 3 of Project	362,000	
(d) Part 4 of Project	690,000	
(3) Consultants'		80
Services:		
(a) Part 1 of Project	910,000	
(b) Part 2 of Project	440,000	
(c) Part 3 of Project	1,180,000	
(d) Part 4 of Project	790,000	

Category	Amount of the Credit Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
(4) Grants:		100% of amounts disbursed
(a) Part 2 (b) of	1,890,000	
Project		
(b) Part 2 (c) of	1,380,000	
Project		
(c) Part 4 (c) of	1,580,000	
Project		
(5) Operating Costs:		
(a) Part 1 of Project	1,740,000	80
(b) Part 2 of Project	280,000	60
(c) Part 3 of Project	340,000	75
(d) Part 4 of Project	470,000	50
(6) Unallocated	700,000	
TOTAL AMOUNT	13,300,000	

## B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:
  - (a) prior to the date of this Agreement, except that withdrawals for Eligible Expenditures up to an aggregate amount not to exceed \$2,000,000 equivalent may be made for payments made prior to this date but on or after January 1, 2007; and
  - (b) under Categories 1 (d), 2 (d), 3 (d), and 5 (d), unless the Recipient has signed an agreement, in form and substance satisfactory to the Association, with the Permanent Agriculture Chambers' Assembly of Mali for purposes of implementation of Part 4 of the Project by the latter.
- 2. The Closing Date is June 30, 2009.

### Section V. <u>Other Undertakings</u>

#### A. Annual Work Plans and Budgets

The Recipient shall furnish to the Association as soon as available, but in any case no later than September 1 of each year, an annual work plan and budget for the Project for the following year, in form and substance satisfactory to the Association and of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget due no later than September 1, 2007, which shall be furnished no later than October 1, 2007 or thirty (30) days after the Effective Date, whichever is sooner.

#### **B.** Midterm Review

The Recipient shall:

- 1. (a) carry out jointly with the Association, no later than twelve (12) months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) implementation of annual work plans and budgets; (iii) progress on procurement and disbursement; and (iv) results of monitoring and evaluation activities; and
  - (b) make adjustments to the Project and reallocate funds to improve performance, if needed.
- 2. Prepare and furnish to the Association, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 (a) of this Section 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 objective thereof during the period following such date; and
- 3. Review, jointly with the Association, the report referred to in paragraph 2 of this Section, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said report and the Association's views on the matter.

## **SCHEDULE 3**

# **Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (Expressed as a percentage)*
On each February 1 and August 1:	
Commencing August 1, 2017 to and including February 1, 2027	1 %
Commencing August 1, 2027 to and including February 1, 2047	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. <u>Definitions</u>

- 1. "Administrative and Financial Directorate" (*Direction Administrative et Financière*) means the directorate of an entity responsible for the administrative and financial management of said entity.
- 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. "Beneficiary" means individual members, or groups of members, of a research institution or Producer Organization (as hereafter defined), established and operating under the laws of the Recipient, which has met the eligibility criteria set out in Section I.E.2 of Schedule 2 to this Agreement and in the Project Operational Manual and to which or for whose benefit a Subproject Grant (as hereafter defined) is made or proposed to be made.
- 4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
- 5. "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.
- 6. "Environmental Management Plan" means the Recipient's plan, dated January 2001, agreed with the Association for the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impact associated with activities to be implemented under the Project, as the same may be updated from time to time with the concurrence of the Association, and such term includes any schedules to the Environmental Management Plan.
- 7. "Food Security Commissariat" (*Commissariat à la Sécurité Alimentaire*) means the Recipient's entity, under the supervisory authority of the ministry at the time responsible for agriculture, responsible for food security.
- 8. "Foreign Expenditures" means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient.
- 9. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 1, 2005 (as amended through October 15, 2006).

- 10. "Institutional Development Commissariat" (*Commissariat au Développement Institutionnel*) means the Recipient's entity, under the supervisory authority of the ministry at the time responsible for agriculture, responsible for institutional development in said sector.
- 11. "Local Expenditures" means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient.
- 12. "National Agricultural Research Committee" (*Comité National de la Recherche Agricole*) means the Recipient's entity, under the supervisory authority of the ministry at the time responsible for agriculture, established and operating pursuant to the Recipient's Decree No. 1-243/P-RM of June 7, 2001.
- 13. "National Directorate of Agriculture" (*Direction Nationale de l'Agriculture*) means the Recipient's entity, under the supervisory authority of the ministry at the time responsible for rural development, responsible for agriculture.
- 14. "Operating Costs" means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient's civil service.
- 15. "Orientation and Steering Committee" (*Comité d'Orientation et de Pilotage*) means the Recipient's entity established and operating pursuant to the Recipient's Decree No. 01-324 /PM-RM of August 2, 2001.
- 16. "Original Financing" means the amount in various currencies equivalent to thirty four million two hundred thousand Special Drawing Rights (SDR 34,200,000) made available by the Association to the Recipient, on the terms and conditions set forth in the Original Financing Agreement (as hereinafter defined).
- 17. "Original Financing Agreement" means the financing agreement for an Agricultural Services and Producer Organizations Project between the Recipient and the Association, dated December 12, 2001, as amended to the date of this Agreement (Credit No. 3583-MLI).
- 18. "Original Project" means the project described in the Original Financing Agreement.
- 19. "Permanent Agriculture Chambers' Assembly of Mali" (*Assemblée Permanente des Chambres d'Agriculture du Mali*) means the entity established and operating

pursuant to the Recipient's Law No. 93-044 of August 4, 1993 and Decree No. 93-295/P-RM of August 18, 1993.

- 20. "Pest Management Plan" means the Recipient's plan, dated January 2001, agreed with the Association for measures to be followed in development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, as the same may be updated from time to time with the concurrence of the Association, and such term includes any schedules to the Pest Management Plan.
- 21. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006.
- 22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 18, 2007 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.
- 23. "Producer Investment Subproject" means a Subproject (as hereinafter defined) financed under Part 4 (c) of the Project.
- 24. "Producer Organization" (*Organisation de Producteurs*) means an entity established and operating as such under the laws of the Recipient.
- 25. "Project Coordination Unit" (*Cellule de Coordination du Projet*) means the Recipient's entity established and operating pursuant to the Recipient's Decree No. 01-324 /PM-RM of August 2, 2001.
- 26. "Project Implementing Entity" means either the National Agricultural Research Committee or the Permanent Agriculture Chambers' Assembly of Mali.
- 27. "Project Implementing Entity's Legislation" means either the Recipient's Decree No. 1-243/P-RM, dated June 7, 2001, as amended up to the date of this Agreement, with respect to the National Agricultural Research Committee, or the Recipient's Law No. 93-044, dated August 4, 1993, and Decree No. 93-295/P-RM, dated August 18, 1993, as amended up to the date of this Agreement, with respect to the Permanent Agriculture Chambers' Assembly of Mali.
- 28. "Research Subproject" means a Subproject (as hereinafter defined) financed under Part 2 (b) of the Project.
- 29. "Subproject" means an activity financed under Part 2 (b) or 4 (c) of the Project.
- 30. "Subproject Grant" means a grant made or proposed to be made to finance a Subproject.

31. "Subproject Grant Agreement" means an agreement concluded or to be concluded between the respective Project Implementing Entity and a Beneficiary for the purpose of carrying out a Subproject.

## Section II. <u>Amendment to Original Financing Agreement</u>

The Original Financing Agreement is amended to read as follows:

1. Section 2.03 is amended to read as follows:

The Closing Date shall be June 30, 2009, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

2. The table in Part A.1 of Schedule 1 is amended to read as follows:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
(1) Works:		80
(a) Part A of Project	200,000	
(b) Part B of Project	600,000	
(c) Part C of Project	325,000	
(d) Part D of Project	100,000	
(2) Goods:		100% of Foreign
(a) Part A of Project	5,000,000	Expenditures and 90% of
(b) Part B of Project	1,200,000	Local Expenditures
(c) Part C of Project	1,600,000	
(d) Part D of Project	500,000	
(3) Consultants' Services:		80
(a) Part A of Project	3,700,000	
(b) Part B of Project	1,400,000	
(c) Part C of Project	3,000,000	
(d) Part D of Project	2,500,000	

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
<ul><li>(4) Grants:</li><li>(a) Part B.3 of Project</li></ul>	4,000,000	100% of amounts disbursed
(b) Part D.3 of Project	2,630,000	
<ul> <li>(5) Operating Costs:</li> <li>(a) Part A of Project</li> <li>(b) Part B of Project</li> <li>(c) Part C of Project</li> <li>(d) Part D of Project</li> </ul>	2,584,890 545,000 2,700,000 500,000	80 60 75 50
(6) Refunding of Project Preparation Advance	1,115,110	Amount due pursuant to Section 2.02 (b) of this Agreement
(7) Unallocated	0	
TOTAL AMOUNT	34,200,000	