

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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CONFORMED COPY

February 1, 2011

H. E. Sanoussi Touré
Minister of Economy and Finance
Ministry of Economy and Finance
B. P. 234
Quartier du Fleuve
Bamako, Republic of Mali

Re: Multi-Donor Trust Fund (MDTF) Grant No. TF096815
Republic of Mali: Africa Stockpiles Program

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Mali (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (IBRD and IDA collectively, the “World Bank”), acting as administrator of grant funds provided by various donors under the Multi-Donor Trust Fund for the Africa Stockpiles Program, proposes to extend to the Recipient a grant in an amount not to exceed three million one hundred thousand United States Dollars (US\$3,100,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of part of the cost of the project described in the Annex (“Project”). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the

World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Kathryn Hollifield
Acting Country Director for Mali
Africa Region

**AGREED:
REPUBLIC OF MALI**

By //s// Sanoussi Touré
Authorized Representative
Name H.E. Sanoussi Touré
Title Minister of Economy & Finance
Date: March 1, 2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter of the same date herewith, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
- (3) Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010
- (4) Guidelines: Selection and Employment of Consultants by World Bank Borrowers dated May 2004 and revised in October 2006 and May 2010
- (5) Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006

Article I

Standard Conditions; Definitions

1.01. *Standard Conditions.* The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. *Definitions.* Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement or in the Appendix hereto.

Article II Project Execution

2.01. *Project Objectives and Description.* The objective of the Project is to assist the Recipient in: (a) eliminating inventoried Publicly Held Obsolete Pesticide stocks and Associated Waste and preparing measures for the future decontamination of soils in priority sites; and (b) implementing measures to reduce and prevent future risks related to pesticides and waste.

The Project consists of the following parts:

Part 1. Cleaning and elimination of Obsolete Pesticides and Associated Waste

(a) Carrying out of a detailed inventory of the Recipient’s Publicly Held Obsolete Pesticide stocks and Associated Waste through: (a) provision of relevant training to the Recipient; (b) collection of data and compilation of a database; (c) a risk-based prioritization of the stocks and Associated Waste identified in the database; and (d) preparation of the Country Environmental and Social Assessment (CESA).

(b) Carrying out a program of activities towards the disposal of Obsolete Pesticides and Associated Waste through: (a) the implementation of selected treatment and / or disposal technology; and (b) the improvement of the Obsolete Pesticide stocks collection centers, including the improvement of safety measures at those centers.

Part 2. Prevention of Obsolete Pesticide accumulation

Carrying out a program of activities aimed at preventing accumulation of new stocks of Obsolete Pesticides and Associated Waste accumulation, including: (a) building capacity through the provision of training to farmers, civil society groups and relevant staff of the Recipient; (b) a review and update of the legal and regulatory framework to control Obsolete Pesticides and Associated Waste accumulation and strengthen enforcement mechanisms; (c) promotion of improved management of empty pesticide containers through the design and implementation of a container management strategy; (d) awareness raising activities on the Program, and the health and

environmental hazards of pesticides; and (e) development of a long-term strategy for dealing with future accumulations of Obsolete Pesticides and Associated Waste.

Part 3. Project management

Supporting the PMU in carrying out Project coordination, implementation, monitoring and evaluation, through the provision of technical advisory services, goods and operational support.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through DNACPN in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** Without limitations upon the provisions of Section 2.02 above, the Recipient shall:

(a) (i) carry out the activities under the Project with due diligence and efficiency and in conformity with appropriate administrative, financial and pest management practices and due regard to ecological and environmental factors and to the health and safety of workers; (ii) promptly provide the funds, facilities, services and other resources required for that purpose; (iii) furnish all information covering the Project and the use of the proceeds of the Grant as the World Bank shall reasonably request; (iv) from time to time exchange views with the World Bank’s representatives on the progress and results of the Project; and (v) cause all goods and services financed out of the proceeds of the Grant to be used exclusively for the purposes of the Project.

(b) duly perform its obligations under the Conventions and shall exercise its rights thereunder in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Project, and without limitation to the generality of the foregoing, undertake all such actions as may be necessary and proper to ensure the safe and effective treatment and/or disposal of Obsolete Pesticides and Associated Waste under the Project.

(c) maintain throughout Project implementation the PMU under terms of reference and with resources and a staff composition that is acceptable to the World Bank for purposes of the day to day management of the Project encompassing financial management, monitoring and evaluation, preparation of progress reports and procurement. Without limitation to the generality of the foregoing, the staff composition of the PMU shall include a national Project coordinator, an administrative and financial manager responsible for financial management and procurement, a pesticide management specialist responsible for operations and monitoring and evaluation, a specialist on Obsolete Pesticide accumulation prevention responsible for communication and awareness and his / her counterpart from the Recipient’s Ministry of Environment, an accountant, and support staff comprising an assistant and a chauffeur.

(d) maintain throughout Project implementation, a steering committee, under terms of reference and with a membership composition that is acceptable to the World Bank, to oversee the overall implementation of the Project, including *inter alia*: (i) the approval of annual work plans to be implemented under the Project; (ii) the management of budgets; and (iii) the review of progress reports. The steering committee shall be chaired by the Recipient’s Minister of Environment or his / her nominee and include the following members, unless otherwise agreed with the World Bank: representatives from the Recipient’s Ministries of Agriculture, Health,

Economy and Finance, and Livestock and Fishing; representatives from the Directorates of Decontamination and Control of Pollution and Nuisances, Agriculture, Fishing, Health, Veterinary Services, Trade and Competition, and customs; and representatives from the Coordination Unit of the Agricultural Services and Farmer Organizations Support Program; the Malian Company for the Development of Textiles; the Office of the Upper Niger Valley; the Permanent Assembly of the Chambers of Agriculture of Mali; the Mali Agricultural Input Dealers Network; and the focal point on matters relating to the Stockholm Convention in Mali.

(e) carry out the Project in accordance with the procedures set forth in the Program OM and the Country OM, and except as the World Bank shall otherwise agree, shall not amend or waive any provisions thereof if such amendment or waiver, may in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

(f) ensure that the Project is carried out in accordance with the guidelines, rules and procedures defined in the ESASR, the CESA, and the RAP, all in a manner satisfactory to the World Bank; and except as the World Bank shall otherwise agree, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce any provision of the aforementioned documents.

(g) submit to the World Bank for its review and approval an annual work plan on or about December 31 of each year of Project implementation commencing in calendar year 2011 and implement the activities reflected in such work plan in a manner that is satisfactory to the World Bank.

2.04. ***Donor Visibility and Visit.*** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.05. ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) Inventory database of Publicly Held Obsolete Pesticides stocks in place and being used by the PMU and the Recipient's staff.

(ii) Inventoried Publicly Held Obsolete Pesticides stocks and Associated Waste are disposed of or safeguarded, as a result of the completion of the Disposal services contract(s) in accordance with national and international laws and regulations.

(iii) A plan, in form and substance satisfactory to the World Bank, for the decontamination of soils in priority sites has been prepared by the Recipient.

(iv) The legal and regulatory framework for pesticide management is improved, including measures to strengthen compliance with the Basel Convention and the Rotterdam Convention.

(v) The training program under Part 2 of the Project is implemented and the knowledge so acquired is being used by the PMU and Recipient's staff.

(vi) The PMU is functional and its operation is satisfactory to the World Bank.

(vii) The steering committee has approved a long-term strategy for dealing with future accumulations of Obsolete Pesticides and Associated Waste.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement**

(a) General. All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004, revised in October 2006 and May 2010 ("Procurement Guidelines"), in the case of goods; and

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004, revised in October 2006 and May 2010 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Services (other than Consultants’ Services)

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (A) Limited International Bidding; (B) National Competitive Bidding; (C) Shopping; (D) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-source Selection; (E) Selection of Individual Consultants; and (F) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures**. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the Categories of Eligible Expenditures that may be financed out of the proceeds of the Grant, the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, Operating Costs, Training	3,100,000	100%
TOTAL AMOUNT	3,100,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 30, 2011.

Article IV

Additional Remedies

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) The World Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) the Recipient has withdrawn from or delivered a written notice of its intention to withdraw as a party to the Conventions; or (b) the Recipient has amended or caused to be amended the CESA so as to in the opinion of the World Bank materially and adversely affect the carrying out of the Project.

(b) The World Bank may, by written notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account if the Recipient has failed to take action, satisfactory to the World Bank, to carry out the Activities within six months after the Effective date.

Article V

Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of the Recipient responsible for finance.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance
BP 234

Quartier du Fleuve
Bamako, Republic of Mali
Facsimile:
223-20-221914 / 20-231654

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD or INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

APPENDIX

Section I. Definitions

(a) “Associated Waste” means materials that are contaminated by Obsolete Pesticides (hereinafter defined), including *inter alia* containers, equipment, and heavily contaminated soils where the World Bank agrees that those soils are within the Project scope.

(b) “Category” means each item to be financed out of the proceeds of the Grant as set forth in the table in paragraph 3.01 of this Annex, and the term Categories shall mean more than one item or all items collectively, as the case may be.

(c) “CESA” means the country project-specific environmental and social assessment, acceptable to the World Bank, that evaluates the Project’s potential environmental risks and impacts in its area of influence; examines Project alternatives; identifies ways of improving Project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout Project implementation. The CESA is to be carried out by the Recipient in a manner that is consistent with the ESASR adopted by the Recipient on January 20, 2010 after completing the preparation of the inventory of Obsolete Pesticides under Part A.1 of Schedule 2 of the GEF Grant Agreement. The CESA includes an environmental management plan and a health safety plan, acceptable to the World Bank.

(d) “Conventions” means collectively: (i) the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal Adopted by the Conference of the Plenipotentiaries on March 22, 1989, and entered into force in May, 1992, pursuant to paragraph 1 of Article 25 of the said convention (“Basel Convention”); (ii) the Stockholm Convention on Persistent Organic Pollutants (POPs) entered into force on May 17, 2004, pursuant to paragraph 1 of Article 26 of the said convention (“Stockholm Convention”); and (iii) the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade entered into force on February 24, 2004, pursuant to paragraph 1 of Article 26 of the said convention (“Rotterdam Convention”) and “Convention” means each and any of the Basel Convention, the Stockholm Convention and the Rotterdam Convention.

(e) “Country Operations Manual” or “Country OM” means the Project Operations Manual, adopted by the Recipient, and setting forth *inter alia* Project specific institutional, technical, procurement, financial management, disbursement and environmental and social management procedures, as the said manual may be amended from time to time with the approval of the World Bank.

(f) “Disposal Services” means services related to the treatment or disposal of Obsolete Pesticides and Associated Waste under Part 1 of the Project, as set forth in paragraph 2.01 of this Annex.

(g) “DNACPN” means the *Direction Nationale de l’Assainissement et du Contrôle des Pollutions et des Nuisances*, within the Recipient’s Ministry of Environment.

(h) “ESASR” means the Environmental and Social Assessment Summary Report dated March 17, 2004, satisfactory to the World Bank, identifying and assessing the potential environmental and social impacts of the Program, and such term shall include any schedules to the said assessment.

(i) “GEF Grant Agreement” means the Agreement between the Recipient and the International Bank for Reconstruction and Development, acting as implementing agency of the GEF, dated December 26, 2006, as such agreement may be amended from time to time, and includes all appendices, schedules and agreements supplemental to the GEF Grant Agreement.

(j) “Obsolete Pesticides” means pesticide products: (a) whose usage is prohibited or severely restricted for environmental or health reasons by applicable provisions of the Conventions, and/or national law consistent with the Conventions; or (b) that have deteriorated as a result of improper or prolonged storage and can neither be used in accordance with label specifications nor easily reformulated for use; or (c) that cannot be used for their intended purpose, and cannot be easily modified to accomplish such purpose or some other purpose.

(k) “Operating Costs” means the reasonable incremental operating expenses incurred on account of the coordination, implementation, and monitoring and evaluation of the Project, including office supplies, fuel and vehicle maintenance costs, per diems, utilities, rent, office security and cleaning, but excluding salaries of the Recipient’s civil servants.

(l) “PMU” means the Project Management Unit established within the Recipient’s DNACPN for the purposes set forth in paragraph 2.03 (c) of this Annex.

(m) “Program” means the Africa Stockpile Program aimed at significantly reducing the impact of persistent Obsolete Pesticides on human health and biodiversity in African countries, which has been endorsed by the GEF CEO on August 16, 2005.

(n) “Program Operations Manual” or “POM”, means the generic operations manual, dated May 11, 2005, accepted by the World Bank, setting forth the implementation arrangements for the Program as a whole, as such manual may be amended from time to time with the approval of the World Bank.

(o) “Public Authority” means any government department or agency, whether national, local or otherwise, located in the territory of the Recipient.

(p) “Publicly Held Obsolete Pesticides” means those Obsolete Pesticides which are in the legal ownership or custody of the Recipient or any Public Authority or any company or other entity owned or controlled in whole or in part by the Recipient or by any Public Authority, or become so owned or in such custody during the course of Project implementation.

(q) “RAP” means the resettlement action plan for the Project disclosed by the Recipient on November 26, 2010.

(r) “Training” means costs (excluding consultants’ services), arising under the Project on account of training activities, including, travel, accommodation, and per diem expenses for participants; training materials; and rental of training facilities.

