

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4503-ML

Financing Agreement

(Additional Financing for Household Energy and Universal Access Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 3, 2008

Public Disclosure Authorized

CREDIT NUMBER 4503-ML

FINANCING AGREEMENT

AGREEMENT dated October 3, 2008, entered into between REPUBLIC OF MALI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions, in the Original Financing Agreement, or in the Appendix to this Agreement.
- 1.03. The Original Financing Agreement is amended as set out in Section II of the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty one million six hundred thousand Special Drawing Rights (SDR 21,600,000 equivalent) (“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 The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

- 2.05. The Payment Dates are March 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 the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) A situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.
 - (b) 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.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. The Additional Legal Matter consists of the following:

The Subsidiary Agreement has been duly signed and certified 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.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient's Address is:

Ministry of Finance
P. O. Box 234
Bamako
Mali

Telex:	Facsimile:
2559MJ	223-222-16-54 223-222-07-93

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/ 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 support the Recipient's efforts in increasing access to modern energy services for its population through: (a) increasing energy supply to households, small and medium enterprises, health and education centers in rural and peri-urban areas; (b) promoting community-based woodland management; and (c) strengthening energy sector reform processes towards increased private sector participation in decentralized energy service delivery.

The Project consists of the following parts:

1. Capacity Development and Institutional Strengthening

(a) Water and Electricity Regulation Commission

Adaptation of the mandate and strengthening of water and electricity contract oversight, monitoring, and compliance capacities.

(b) National Directorate of Energy

(i) carrying out of an institutional audit for purposes of identification of strengths and weaknesses and development of a related action plan, with a particular focus on policy formulation, monitoring and evaluation, and impact assessment;

(ii) development of demand-side management, energy efficiency, and bio-fuels energy programs;

(iii) supervision of generation, transmission, and distribution master plans; and

(iv) provision of support to implementation of national energy information system.

(c) National Directorate of Nature Conservation

Implementation of forestry legislation regulating wood-fuel production, trade, and utilization.

- (d) Malian Agency for Household Energy and Rural Electrification Development
 - (i) improvement of the monitoring of local private sector energy service delivery operators;
 - (ii) development of innovative technical and managerial schemes for the promotion of low-cost electrification solutions;
 - (iii) promotion of additional productive uses of energy services in partnership with the local banking system;
 - (iv) continued removal of barriers to the development of renewable energy; and
 - (v) strengthening of output-based mechanisms relating to Part 2 of the Project.

2. Energy Service Delivery

(a) Rural Electrification

Scaling up of the energy service delivery investments made under Part D.1 of the Original Project, through the extension of existing, and the development of new, bottom-up Subprojects and the development of a top-down Subproject, through the Rural Electrification Fund.

(b) Multifunctional Platforms

Scaling up of the multifunctional platforms established under Part D.2 of the Original Project in remote communities, with a particular focus on the establishment of partnerships with the local banking system for purposes of development of microfinance schemes in support of women's associations charged with the management of said platforms.

(c) Information, Education, and Communication

Carrying out of information, education, and communication activities, principally in remote communities, in support of energy service delivery initiatives.

3. Household Energy

(a) Community-Based Woodland Management

- (i) consolidation of woodland management plans;
- (ii) carrying out of small wood-fuel management activities by local communities and private operators;
- (iii) establishment and implementation of a forestry information system; and
- (iv) strengthening of the legal and regulatory framework for the wood-fuel sector.

(b) Inter-Fuel Substitution and Household Energy Efficiency

- (i) scaling up of the distribution of improved stoves and low consumption lamps;
- (ii) establishment and implementation of an energy efficiency information system; and
- (iii) carrying out of studies on removal of barriers to the adoption of evaporative air coolers, kerosene stoves, liquid petroleum gas, and wood briquettes.

(c) Information, Education, and Communication

Carrying out of information, education, and communication activities in support of the consolidation of woodland energy management, inter-fuel substitution, and energy efficiency initiatives.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Implementing Entity

1. The Project Implementing Entity shall be responsible for Project coordination, implementation, and monitoring and evaluation, as well as administrative, financial, and procurement management, including disbursements, under the Project.
2. Without prejudice to the provisions of paragraph 1 of this Section, the Project Implementing Entity shall collaborate closely with the National Directorate of Nature Conservation in relation to the coordination, implementation, and monitoring and evaluation of Part 3 (a) of the Project.

Water and Electricity Regulation Commission

3. Without prejudice to the provisions of paragraph 1 of this Section, the Water and Electricity Regulation Commission shall be responsible for day-to-day coordination, implementation, and monitoring and evaluation of Part 1 (a) of the Project.

National Directorate of Energy

4. Without prejudice to the provisions of paragraph 1 of this Section, the National Directorate of Energy shall be responsible for day-to-day coordination, implementation, and monitoring and evaluation of Part 1 (b) of the Project.

National Directorate of Nature Conservation

5. Without prejudice to the provisions of paragraph 1 of this Section, the National Directorate of Nature Conservation shall be responsible for day-to-day coordination, implementation, and monitoring and evaluation of Part 1 (c) of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the following (“Subsidiary Agreement”):
 - (a) The Recipient shall provide the proceeds of the Financing to the Project Implementing Entity on terms and conditions satisfactory to the Association.
 - (b) The Project Implementing Entity shall perform all of its obligations under the Project Agreement.
 - (c) Procurement of the goods, works, and services required for the Project shall be governed by the provisions of Section III of this Schedule, as said provisions may be further elaborated in the Procurement Plan.
 - (d) The Project Implementing Entity shall ensure that the Project is implemented in accordance with the provisions of the Administrative and Financial Manual, the Project Implementation Manual, and the Rural Electrification Fund Manual, and, except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
 - (e) The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, and, except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
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, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision 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. Manuals

1. The Recipient shall: (i) ensure that the Project is carried out in accordance with the Administrative and Financial Manual, the Project Implementation Manual, and the Rural Electrification Fund Manual; and (ii) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Administrative and Financial Manual, the Project Implementation Manual, or the Rural Electrification Fund Manual, and those of this Agreement, the latter shall prevail.

E. Subprojects

1. General
 - (a) The Recipient shall maintain, throughout Project implementation, the Rural Electrification Fund, with an institutional framework, functions, and resources satisfactory to the Association.
 - (b) Without limitation upon the provisions of subparagraph (a) of this Section, the Recipient shall ensure that the Project Implementing Entity shall appraise, approve, and monitor and evaluate Subprojects in accordance with the provisions of this Part E and the Administrative and Financial Manual, the Project Implementation Manual, and the Rural Electrification Fund Manual.

2. Subproject Grant Eligibility and Subproject Implementation Guidelines and Procedures

No proposed Subproject shall be eligible for financing under the Project unless the Project Implementing Entity has determined, on the basis of an appraisal conducted in accordance with this Part E and the Administrative and Financial Manual, the Project Implementation Manual, and the Rural Electrification Fund Manual, that the proposed Subproject and the proposed Beneficiary satisfy the eligibility criteria specified below and in further detail in the Administrative and Financial Manual, the Project Implementation Manual, and the Rural Electrification Fund Manual, which include the following:

- (a) the proposed Subproject has been prepared by a private commercial operator, a duly registered community organization, a non-governmental organization, or an economic interest group which meets the eligibility criteria specified in said Manuals;
- (b) the proposed Subproject is for activities set forth in Section 2 (a) of Schedule 1 to this Agreement and described in further detail in said Manuals;
- (c) the proposed Subproject satisfies none of the non-eligibility criteria specified in said Manuals;
- (d) the proposed Subproject complies with the Environmental and Social Management Framework and the Resettlement Policy Framework; and
- (e) the proposed Subproject complies with the standards and requirements set forth in the Recipient's applicable laws and regulations relating to the Program.

3. Terms and Conditions of Subproject Grant Agreements

- (a) A Subproject shall be carried out by a Beneficiary pursuant to a Subproject Grant Agreement, to be concluded between the Project Implementing Entity and the respective Beneficiary, under terms and conditions satisfactory to the Association and described in further detail in said Manuals, which include the following:
 - (i) a description of the Subproject, its budget, and applicable performance indicators;

- (ii) (A) the denomination of the Subproject Grant in CFA Francs; and (B) the provision of the Subproject Grant on a grant basis;
- (iii) the right of the Project Implementing Entity to suspend or terminate the right of any Beneficiary to use the proceeds of the Subproject Grant, or declare to be immediately due and payable all or any part of the amount of the Subproject Grant then withdrawn, upon failure by the Beneficiary to perform any of its obligations under the Subproject Grant Agreement; and
- (iv) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, administrative, environmental, and social practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) procure the goods, works, and consultants' services to be financed out of the Subproject Grant in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of the Rural Electrification Fund Manual, and use them exclusively in the carrying out of the Subproject; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources, and expenditures related to the Subproject; and (2) at the Association's or the Project Implementing Entity's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Association and the Project Implementing Entity; (F) enable the Association and the Project Implementing Entity to inspect the Subproject, its operation, and any relevant records and documents; and (G) prepare and furnish to the Association and the Project Implementing Entity all such information as the Association or the Project Implementing Entity shall reasonably request relating to the foregoing;

- (b) The Recipient shall ensure that the Project Implementing Entity 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 cause the Project Implementing Entity to ensure that the latter shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any substantive provision of the aforementioned.

F. Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
- 2. In the event of any conflict between the provisions of the Environmental and Social Management Framework, or the Resettlement Policy Framework, and those of this Agreement, the latter shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall cause the Project Implementing Entity to 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 semester, and shall be furnished to the Association not later than forty-five (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:

No.	Indicators
1.	Number of households with access to electricity services
2.	Number of institutions with access to electricity services
3.	Number of communities with installed multifunctional platforms
4.	Number of improved stoves purchased by households

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 cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
3. The Recipient shall cause the Project Implementing Entity to 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 Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

(b) The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Recipient and works to be carried out by domestic contractors.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(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) Quality-Based Selection
(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 following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$500,000 or more procured on the basis of International Competitive Bidding or Limited International Bidding; (b) the first contract for goods procured on the basis of National Competitive Bidding; (c) each contract for works estimated to cost the equivalent of \$1,000,000 or more procured on the basis of International Competitive Bidding; (d) the first contract for works procured on the basis of National Competitive Bidding; (e) the first three (3) contracts for non-consultant services estimated to cost the equivalent of \$100,000 or more procured on the basis of National Competitive Bidding; (f) the first contract for goods, the first contract works, or the first contract non-consultant services estimated to cost the equivalent of \$50,000 or more procured on the basis of Shopping; (g) each contract for goods, works, or non-consultant services procured on the basis of Direct Contracting; (h) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more procured on the basis of Quality- and Cost-based Selection, Quality-Based Selection, Least Cost Selection, or Selection Based on Consultants' Qualifications; (i) each contract for consultants' services provided by a firm for purposes of audits or in relation to environmental matters; (j) each contract for consultants' services provided by an individual in accordance with the Procurement Plan; and (k) each contract for consultants' services procured on the basis of Single Source Selection. 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 amount of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods	300,000	100%
(2) Consultants’ services and audits	3,000,000	100%
(3) Training	100,000	100%
(4) Operating costs	400,000	100%
(5) Household energy subprojects	500,000	100%
(6) Rural electrification subprojects	16,000,000	100%
(7) Unallocated	1,300,000	
TOTAL AMOUNT	21,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments:
 - (a) made prior to the date of this Agreement;
 - (b) under Category (6) of the table in Part A of this Section, unless a local commercial bank, acceptable to the Association, has been appointed, under terms of reference acceptable to the Association, for purposes of disbursement of financing from the Rural Electrification Fund; and an administrative and financial director, with qualifications, experience, and terms of reference satisfactory to the Association, has been appointed to the Project Implementing Entity, in accordance with the provisions of Section III of Schedule 2 to this Agreement, if applicable.
2. The Closing Date is June 30, 2012.

Section V. Other Undertakings

A. Recipient's Contribution

To finance the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the Financing, except as the Recipient and the Association shall otherwise agree, the Recipient shall:

- (a) establish or designate, no later than three (3) months after the Effective Date, an account, in CFA Francs, in a commercial bank acceptable to the Association, under terms and conditions acceptable to the Association, including appropriate protection against set-off, seizure, and attachment; and (ii) deposit an amount equivalent to \$262,000 into said account;
- (b) deposit into said account, no later than three (3) months after the Effective Date, and, thereafter, on a quarterly basis throughout Project implementation, an amount equivalent to \$262,000 required to finance the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the Financing; and

- (c) ensure that funds deposited into said account in accordance with the provisions of paragraph (b) of this Section shall be used exclusively to finance expenditures under the Project other than those financed from the proceeds of the Financing.

B. Annual Work Plans and Budgets

The Recipient shall cause the Project Implementing Entity to furnish to the Association as soon as available, but in any case not later than December 1 of each year, the annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date.

E. Semi-Annual Reviews

The Recipient shall review, and cause the Project Implementing Entity to review, with the Association, no later than one (1) month after its transmittal to the Association, or such later date as the Association shall request, each of the Project Reports referred to in Section II.A.1 (a) of this Schedule, 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.

F. Midterm Review

The Recipient shall cause the Project Implementing Entity to:

- (a) carry out jointly with the Recipient and the Association, no later than 24 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 Schedule 2 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; and (v) Project implementation arrangements; and make adjustments to the Project and reallocate funds to improve performance, if needed;

- (b) prepare and furnish to the Association, three (3) months before such review, a report, in 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 (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the 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

- (c) review, jointly with the Recipient and the Association, the report referred to in paragraph (b) 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 the 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 March 1 and September 1:	
Commencing March 1, 2019 to and including September 1, 2028	1
Commencing March 1, 2029 to and including September 1, 2048	2

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

APPENDIX

Section I. Definitions

1. “Administrative and Financial Manual” (*Manuel Administratif et Financier*) means the Recipient’s document, dated August 2004, agreed with the Association and setting out administrative, financial management, accounting, and auditing arrangements and procedures for purposes of implementation of the Project, as the same may be amended from time to time with the prior written concurrence of the Association, and such term includes any schedules to said Manual.
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 a private commercial operator, a duly registered community organization, a non-governmental organization, or an economic interest group which meets the criteria specified in Section I.E of Schedule 2 to this Agreement and the Administrative and Financial Manual, the Project Implementation Manual (as hereinafter defined), and the Rural Electrification Fund Manual (as hereinafter defined), and to which or for whose benefit a Subproject Grant (as hereinafter defined) is made or proposed to be made for the carrying out of a Subproject (as hereinafter defined).
4. “CFA Franc” means the African Financial Community Franc (*Franc de la Communauté Financière Africaine, Franc CFA*), the currency of the Recipient.
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 and Social Management Framework” (*Cadre de Gestion Environnementale et Sociale*) means the Recipient’s document, dated May 2, 2003, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules to said Framework.

7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
8. “National Directorate of Energy” (*Direction Nationale de l’Energie*) means the Recipient’s entity, in its ministry responsible for energy, charged with energy administration.
9. “National Directorate of Nature Conservation” (*Direction Nationale de la Conservation de la Nature*) means the Recipient’s entity, in its ministry responsible for forestry, charged with nature conservation.
10. “Operating Costs” means the incremental expenses incurred by the National Directorate for Energy and the Project Implementing Entity, based on the annual budgets referred to in Section V.B of Schedule 2 to this Agreement as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service and salaries of contractual staff.
11. “Original Financing Agreement” means the development credit agreement between the Recipient and the Association, dated January 7, 2004, for a Household Energy and Universal Access Project (Credit No. 3828-MLI).
12. “Original Project” means the project described in the Original Financing Agreement.
13. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
14. “Procurement Plan” (*Plan de Passation des Marchés*) means the Recipient’s procurement plan for the Project, dated July 29, 2008 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.

15. “Program” means the program designed to increase access to modern energy in the rural and peri-urban areas of the territory of the Recipient and set forth or referred to in the letter dated July 9, 2003 from the Recipient to the Association.
16. “Project Implementation Manual” (*Manuel d’Execution du Projet*) means the Recipient’s document, dated April 2004, agreed with the Association and setting out implementation, organizational, monitoring and evaluation, environmental and social monitoring and mitigation, and procurement arrangements and procedures for purposes of implementation of the Project, as the same may be amended from time to time with the prior written concurrence of the Association, and such term includes any schedules to said Manual.
17. “Project Implementing Entity” means the Malian Agency for Household Energy and Rural Electrification Development (*Agence Maliennne pour le Développement de l’Energie Domestique et de l’Electrification Rurale*).
18. “Project Implementing Entity’s Legislation” means the Recipient’s Decree No. 226/P-RM of May 30, 2003.
19. “Resettlement Policy Framework” (*Cadre de Politique de Recasement*) means the Recipient’s document, dated May 2, 2003, agreed with the Association and setting out arrangements for the resettlement and compensation of persons affected by potential changes in land use associated with activities to be implemented under the Project, as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules to said Framework.
20. “Rural Electrification Fund” (*Fonds d’Electrification Rurale*) means the Recipient’s entity, established and operating pursuant to the Recipient’s Ordinance No. 019/P/RM of March 15, 2000, charged with the provision of financing to rural electrification activities.
21. “Rural Electrification Fund Manual” (*Manuel du Fonds d’Electrification Rurale*) means the Recipient’s document, dated September 2004, agreed with the Association and setting out administrative, financial, and accounting arrangements and procedures for purposes of the operation of the Rural Electrification Fund, including the disbursement of Rural Electrification Fund financing, as the same may be amended from time to time with the prior written concurrence of the Association, and such term includes any schedules to said Manual.

22. “Subproject” means a specific activity carried out by a Beneficiary under Part 2 (a) of the Project, financed or proposed to be financed through a Subproject Grant (as hereinafter defined).
23. “Subproject Grant” means a grant made or proposed to be made to finance a Subproject.
24. “Subproject Grant Agreement” means an agreement between the Project Implementing Entity and a Beneficiary, setting forth the terms and conditions under which proceeds of the Financing shall be made available to the Beneficiary for the purpose of financing Subprojects.
25. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
26. “Training” means the training of persons involved in Project-supported activities, based on the annual budgets referred to in Section V.B of Schedule 2 to this Agreement as approved by the Association, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation.
27. “Water and Electricity Regulation Commission” (*Commission de Régulation d’Eau et d’Electricité*) means the independent entity established and operating pursuant to the Recipient’s Ordinance No. 00-21/P-RM of March 15, 2000 and charged with water and electricity regulation.

Section II. Amendment to Original Financing Agreement

The Original Financing Agreement is amended as set forth below.

1. Section 2.03 is amended to read as follows:

“Section 2.03. The Closing Date shall be June 30, 2012, 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 of Schedule 1 of the Original Financing Agreement is revised to read as follows:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods	1,218,000	100%
(2) Consultants' services and audits	1,700,000	100%
(3) Training	752,000	100%
(4) Operating costs	1,048,000	100%
(5) Household energy subprojects	4,640,000	100%
(6) Rural electrification subprojects	15,405,667	100%
(7) Refunding of Project Preparation Advance	435,740	
(8) Unallocated	0	
TOTAL AMOUNT	25,200,000	