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GEF GRANT NUMBER TF097183

Global Environment Facility
Grant Agreement

(Fostering Agricultural Productivity Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated June 19, 2010

GEF GRANT NUMBER TF097183

GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated June 19, 2010, entered into between:

REPUBLIC OF MALI (“Recipient”); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”) 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 Standard Conditions or in the Financing Agreement (“Financing Agreement”) of same date herewith between the Recipient and the International Development Association (the Association).

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts C.1 (c) and C.2 (b) of the Project through the MOA, and shall cause APCAM to carry out Part A.1 (c) of the Project, in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million two hundred thousand United States Dollars (\$6,200,000) (“Grant”) to assist in financing Parts A.1 (c), C.1 (c) and C.2 (b) of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section V of Schedule 2 to this Agreement.

Article IV
Termination

- 4.01. For purposes of Section 6.02 of the Standard Conditions, the date on which the obligations of the Recipient under this Agreement shall terminate is ten (10) years after the date of this Agreement.

Article V

Recipient's Representative; Addresses

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

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

Ministry of Finance
BP 234
Quartier du Fleuve
Bamako, Mali

Facsimile:

223-20-221914 / 20-231654

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

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

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

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

REPUBLIC OF MALI

By /s/ Sanoussi Touré

Authorized Representative

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the
Global Environment Facility**

By /s/ Ousmane Diagana

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the productivity of smallholder agricultural and agribusinesses producers in the Targeted Production Systems in Selected Areas of the Recipient's territory.

The Project consists of the following parts:

Part A: Technology transfer and service provision to agricultural producers

1. Provision of technical assistance and equipment to Producers' Organizations of Targeted Production Systems to help them: (a) address key agricultural productivity constraints related to farm and agricultural technique modernization, to livestock production system modernization and to intensification and diversification techniques; (b) develop small scale irrigation intensification techniques, post-harvest operation techniques and demand-driven and on-farm research; and (c) promote sustainable land and water management techniques.
2. (a) Provision of support to refurbish, equip and improve management and functioning of APCAM, CRAs and Producers' Organizations; and (b) carrying out of capacity building activities for APCAM, CRAs and Producers' Organizations.
3. Provision of support to facilitate rural credit development, through the development of financial management and accounting services for small investors in the agribusiness sector.
4. Provision of support to the National Council for Agricultural Research to facilitate technology generation and to the Regional Committee for Research and Extension to strengthen the linkages between agricultural research, extension services and production systems.

Part B: Irrigation Infrastructure

1. Provision of support for: (a) feasibility and environment studies for small-scale irrigation investments; and (b) the construction of additional small-scale gravity-fed village irrigation schemes and small-scale lowland irrigation schemes.

2. Provision of support for: (a) the development of approximately 1,200 ha of new irrigable land in the Sabalibougou 1 Area and the implementation of the related resettlement action plan; (b) the development of approximately 1,000 ha of new irrigable land in the Sabalibougou 2 Area; (c) the development of approximately 500 ha of new irrigation schemes in the M'Béwani Area; and (d) the extension of the Kalankorola and Tango drainage systems in the M'Béwani Area.
3. Provision of support to the ON to: (a) improve its modernization, governance structure, and water management and land tenure policy and practices; (b) design and implement a voluntary land consolidation process; (c) improve the efficiency of water management in the areas under the authority of the ON; and (d) provide capacity building and equipment for environment and social safeguards monitoring and for the evaluation of the implementation of mitigation measures for the irrigation schemes developed by the Project.
4. Provision of equipment to replace auscultation instruments and technical assistance to update manuals and emergency preparedness plans for the Markala and Selingue dams.

Part C: Programmatic approach, Sectoral Monitoring and Project coordination

1. Provision of technical assistance to enhance coordination among the various stakeholders in the agricultural sector to support: (a) the elaboration of an agricultural investment program; (b) the elaboration and implementation of the agricultural policy; and (c) the promotion of sustainable land management in agricultural investments.
2. Provision of technical assistance and support for: (a) the assessment and monitoring of agricultural sector performances; and (b) the monitoring of the evolution of natural resources and the impact of agricultural investments on the environment.
3. Provision of support to public services to: (a) establish the National Agricultural Advisory Service Council to provide quality control on agricultural and veterinary inputs, advisory services, phyto- and zoo-sanitary surveillance and control, oversee environment and social safeguards, and disseminate information and raise awareness on national legal texts and guides on agriculture, natural resources, water management, forestry and pastoral activities; (b) develop the national strategy for small scale irrigation development; and (c) disseminate information and develop training on sustainable land and water management.

4. Provision of technical assistance and support for the carrying out of the Project, including monitoring and evaluation.

SCHEDULE 2

Project Execution

Section I. General

1. Sections I.A, I.B.1, I.C, I.D, I.F and I.G of Schedule 2 to the Financing Agreement are hereby incorporated by reference and apply, to the extent relevant or appropriate, to the Project, and the Recipient undertakes to comply with the provisions thereof, with modifications as shown below to the following terms, wherever they appear in said Sections, unless the context otherwise requires:
 - (a) the term “Association” shall be read as World Bank;
 - (b) the term “Financing” shall be read as the Grant;
 - (c) the term “Recipient” shall be read as the Recipient of the Grant.
2. So long as any part of the Credit provided for under the Financing Agreement shall remain outstanding, and unless the Recipient has been notified otherwise by the World Bank:
 - (a) all actions taken, including approvals given, by the Association pursuant to Sections I.A, I.B.1, I.C, I.D, I.F and I.G of Schedule 2 to the Financing Agreement shall be deemed to be taken or given in the name and on behalf of both the Association and the World Bank; and
 - (b) any information or documentation furnished by the Recipient to the Association pursuant to the provisions of any of such Sections of the Financing Agreement shall be deemed to be furnished to both the Association and World Bank.

Section II. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall ensure that the institutional arrangements required for Parts A.1 (c), C.1 (c) and C.2 (b) of the Project are carried out in accordance with the provisions of Section I.A of Schedule 2 to the Financing Agreement.

B. Subsidiary Agreements

The Recipient shall ensure that Part A.1 (c) of the Project is implemented in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement.

C. Anti-Corruption

The Recipient shall ensure that Parts A.1 (c), C.1 (c) and C.2 (b) of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Annual Work Plans

The Recipient shall ensure that Parts A.1 (c), C.1 (c) and C.2 (b) of the Project are implemented in accordance with the provisions of Section I.D of Schedule 2 to the Financing Agreement.

E. Manual

The Recipient shall ensure that Parts A.1 (c), C.1 (c) and C.2 (b) of the Project are implemented in accordance with the provisions of Section I.F of Schedule 2 to the Financing Agreement.

G. Safeguards

The Recipient shall ensure that Parts A.1 (c), C.1 (c) and C.2 (b) of the Project are implemented in accordance with the provisions of Section I.G of Schedule 2 to the Financing Agreement and in particular the Environmental and the Social Management Framework, the Environmental and Social Impact Assessment, the Pesticides Management Plan, and the Resettlement Policy Framework.

Section III. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of Parts A.1 (c), C.1 (c), and C.2 (b) 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 indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
2. For purposes of Section 2.06 (b) (ii) of the Standard Conditions, the report on the execution of Parts A.1 (c), C.1 (c) and C.2 (b) of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

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 2.07 of the Standard Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 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 have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the Fiscal Year in which the first withdrawal was made under the Grant. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section IV. Procurement

All goods and services required for Parts A.1 (c), C.1 (c) and C.2 (b) of the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section V. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of 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 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 Grant (“Category”), 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 (exclusive of Taxes)]
(1) Goods, works, services and Operating Costs for Part A.1 (c) of the Project	3,800,000	100%
(2) Goods, works, consultants' services, Operating Costs and Training for Parts C.1 (c) and C.2 (b) of the Project	2,400,000	100%
TOTAL AMOUNT	6,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2016.