

# OFFICIAL DOCUMENTS

---

**CREDIT NUMBER 6282-ML**  
**GRANT NUMBER D339-ML**

## **Financing Agreement**

**(Second Poverty Reduction and Inclusive Growth Support Operation Development  
Policy Financing)**

**between**

**REPUBLIC OF MALI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

---

**CREDIT NUMBER 6282-ML**  
**GRANT NUMBER D339-ML**

## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between the REPUBLIC OF MALI (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I.A of Schedule 1 to this Agreement; and (ii) the Recipient’s maintenance of an adequate macroeconomic policy framework.

The Recipient and the Association therefore hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a grant and a credit, both deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement (collectively, “Financing”) in the following amounts:
  - (a) an amount equivalent to twenty million nine hundred thousand Special Drawing Rights (SDR 20,900,000) (“Grant”); and
  - (b) an amount of twenty-four million nine hundred thousand Euros (EUR 24,900,000) (“Credit”).
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.04. The Payment Dates are March 1 and September 1 in each year.

- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.
- 2.06. The Payment Currency is Euro.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

### **ARTICLE III — PROGRAM**

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
  - (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
  - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
  - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 9.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its minister responsible for finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Economy and Finance  
BP 234  
Hamdallaye ACI 2000  
Bamako  
Republic of Mali

- (b) the Recipient's Electronic Address is:

Facsimile:

223-2022-1914

- 6.03. For purposes of Section 10.01 of the General Conditions:

- (a) The Association's address is:

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

- (b) the Association's Electronic Address is:

Telex:

Facsimile:

248423 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF MALI

By



Authorized Representative

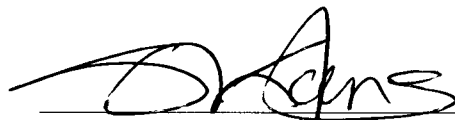
Name: Dr. Bouba Cissé<sup>1</sup>

Title: Minister of Economy and Finance

Date: July 16, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Soukeyna Kane

Title: Country Director

Date: July 16, 2018

## SCHEDULE 1

### Program Actions; Availability of Financing Proceeds

#### Section I. Actions under the Program

- A. Actions Taken Under the Program.** The actions taken by the Recipient under the Program include the following:
1. The Recipient has enhanced the security of land tenure by: (a) adopting two application decrees for the Agricultural Land Act (*Décret fixant la composition et les modalités de fonctionnement des commissions foncières villageoises et de fractions*; and *décret fixant les modalités de fonctionnement de l'observatoire national du foncier agricole*); (b) appointing members to at least 300 sub-district agricultural land commissions; and (c) adopting through the Council of Ministers the Domains and Land Policy.
  2. The Recipient, through the Ministry of Digital Economy, Information, and Communications, has: (a) included obligations in terms of wholesale supply and facility sharing in the 4G licenses for the two active operators; and (b) launched the call for proposals for a fourth mobile telecommunication license through an open international bidding process offering market access conditions in line with international good practices.
  3. The Recipient, through the Board of Administrators of the AGEFAU, has adopted AGEFAU's work plan for 2018 which includes investments to extend telecom services to previously uncovered areas.
  4. The Recipient, through the Ministry of Economy and Finance, has strengthened financial inclusion by: (a) appointing a liquidator for two of the microfinance institutions whose licenses have been withdrawn; and (b) completing the 2017 supervision program of the CCS/SFD in accordance with its annual calendar.
  5. The Recipient, through:
    - (a) the Ministry of Energy and Water, has initiated the reform process aimed at enhancing the efficiency of the electricity sector by endorsing the audit of EDM, including the proposed set of reform actions.
    - (b) EDM, has initiated the process aimed at improving revenue collection by requiring the use of smart meters by high voltage users and large low voltage users.
  6. The Recipient has produced an electronic cadastral map for Bamako.

7. The Recipient, through the Ministry of Agriculture, has launched the e-voucher scheme for the distribution of agricultural input subsidies by: (a) completing the registration of farmers in 4 sub-districts (Yanfolila, Koutiala, Niono, Bla); and (b) notifying beneficiaries via text message about the date at which the e-vouchers will be distributed.
8. The Recipient, through the Ministry of Solidarity and Humanitarian Action, has: (a) made available on-line a Unified Social Registry, including a mechanism to integrate beneficiaries of various social safety net programs; and (b) made Jigisemejiri beneficiaries eligible to free medical care at the CSCOMS by distributing RAMED insurance cards.

**Section II. Availability of Financing Proceeds**

- A. **General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. **Allocation of Financing Amounts.** The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

<b>Allocations</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Amount of the Credit Allocated (expressed in EUR)</b>
Single Withdrawal Tranche	20,900,000	24,900,000
<b>TOTAL AMOUNT</b>	20,900,000	24,900,000

**C. Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.

- D. **Deposit of Financing Amounts.** Except as the Association may otherwise agree:
  1. all withdrawals from the Financing Account shall be deposited by the Association into an account designated by the Recipient and acceptable to the Association; and
  2. the Recipient shall ensure that, upon each deposit of an amount of the Financing into this account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.

- E. Audit.** Upon the Bank's request, the Recipient shall:
1. have the designated accounts audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
  2. furnish to the Association as soon as available, but in any case, not later than four months after the end of the Association's fiscal year, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Association; and
  3. furnish to the Association such other information concerning the designated accounts and their audit as the Association shall reasonably request.
- F. Excluded Expenditures.** The Recipient undertakes that the proceeds of the Financing shall not be used to finance Excluded Expenditures. If the Association determines at any time that an amount of the Financing was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the Association, refund an amount equal to the amount of such payment to the Association. Amounts refunded to the Association upon such request shall be cancelled.
- G. Closing Date.** The Closing Date is June 30, 2019.



**SCHEDULE 2**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 1 and September 1, commencing September 1, 2024 to and including March 1, 2056	1.5625%

\* 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 3.05(b) of the General Conditions.

## APPENDIX

### Definitions

1. “AGEFAU” means *Agence de Gestion du Fonds d'Accès Universel*, the Recipient's Universal Service Fund Management Agency, established and operating pursuant to Ordinance N° 2016-001/P-RM, dated January 26, 2016.
2. “Agricultural Land Act” means *Loi no 2017-001 du 11 avril 2017 portant sur le foncier agricole*.
3. “Basis Adjustment to the Service Charge” means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
4. “CCS/SFD” means unit in charge of providing oversight to microfinance institutions.
5. “CSCOM” means centres de santé communautaires, community health centers.
6. “Domains and Land Policy” means *Politique Nationale Domaniale et Foncière* adopted by Council of Ministers on May 16, 2018.
7. “EDM” means Energie du Mali.
8. “Excluded Expenditure” means any expenditure:
  - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;
  - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

<b>Group</b>	<b>Sub-group</b>	<b>Description of Item</b>
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

for goods intended for a military or paramilitary purpose or for luxury consumption;

- (c) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;

- (d) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
  - (e) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.
9. “FCFA” means the West African CFA franc of the African Financial Community (*Communauté Financière Africain*) issued by the Central Bank of the West African States (*Banque Centrale des États de l’Afrique de l’Ouest*).
  10. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Development Policy Financing”, dated July 14, 2017.
  11. “Jigisemejiri” means a social safety net program established pursuant to Recipient’s Decree N° 2013-195/PM-RM, dated February 27, 2013, and operating under the auspices of MEF, and supported under a World Bank-funded Emergency Safety Nets Project pursuant to Financing Agreement between the Recipient and the Association, dated May 27, 2013 (Grant H835-ML).
  12. “Ministry of Agriculture” or “MA” means the Recipient’s ministry responsible for agriculture, or any of its successors.
  13. “Ministry of Digital Economy, Information, and Communications” means the Recipient’s ministry responsible for digital, information and telecommunications, or any of its successors.
  14. “Ministry of Economy and Finance” or “MEF” means the Recipient’s ministry responsible for economy and finance, or any successor thereto.
  15. “Ministry of Solidarity and Humanitarian Action” or “MASH” means the Recipient’s ministry responsible for social protection, or any of its successors.
  16. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated May 4, 2018, from the Recipient to the Association declaring the Recipient’s commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.

17. “RAMED” means *Régime d’Assistance Médicale*, a social protection program established pursuant to Recipient’s Law N° 09-30, dated July 27, 2009, and operating under the auspices of MASH.
18. “SFD” means *systèmes financiers décentralisés* or microfinance institutions.
19. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
20. “Single Withdrawal Tranche” means the amount of the Financing allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
21. “Unified Social Registry” means unified social registry for the Recipient’s social protection system.