Financing Agreement
(Improving Mali's Statistical System Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 1st, 2017
GRANT NUMBER D221-ML

FINANCING AGREEMENT

AGREEMENT dated August 1st, 2017, entered into between REPUBLIC OF MALI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 or in 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 grant in an amount equivalent to fourteen million six hundred thousand Special Drawing Rights (SDR 14,600,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is Euro.

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 and the Project Agreement.
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 Event of Suspension consists of the following, namely that the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project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.

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 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 consist 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 consist of the following, namely that the Subsidiary Agreement has been duly authorized or ratified 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 one hundred twenty (120) days after the date of this Agreement.

5.04. For purposes of Section 8.05(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 date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its minister responsible for economy and finance.

6.02. The Recipient’s Address is:

Ministry of Economy and Finance
P.O. Box 234,
Hamdallaye ACI 2000
Bamako
Mali

Facsimile:
+223 20 22 19 14

6.03. The Association’s Address is:

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

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED at Bamako, August 1st, as of the day and year first above written.

REPUBLIC OF MALI

By

Authorized Representative

Name: Boubou CISSE

Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Soukeyna KANE

Title: Country Director for Mali
SCHEDULE 1

Project Description

The objective of the Project is to strengthen the capacity of the National Statistical System ("NSS") to produce and publicly disseminate statistics through support to institutional development and data production.

The Project consists of the following parts:

Part A: Data Collection, Quality Enhancement and Dissemination

1. Carrying out foundational data collection activities, including: (a) preparing and implementing a population and housing census; and (b) preparing and implementing an enterprise census;

2. (a) Carrying out survey activities, including enhancing the coverage, quality and adequacy of data collection, survey design, analysis, archive and dissemination of agricultural, commune, and welfare surveys; (b) conducting verification for the quality and quantity of activities performed under Part A.2(a) of the Project; and (c) providing PBF Payments to Eligible Units against their level of performance achieved, in accordance with the PIM for activities under Part A.2(a) of the Project; and

3. Supporting data dissemination and analysis, through: (a) development of a data access and dissemination policy; (b) establishment of an electronic data archiving system and redesigning of the Project Implementing Entity’s website; (c) development of connectivity and data transfer technology between the Project Implementing Entity and other relevant data producers; and (d) training of the Project Implementing Entity’s staff on data analysis and survey interpretation.

Part B: Institutional and Human Resources Development

1. Supporting reform of relevant institutional and legal frameworks to improve statistical systems;

2. Improving the Project Implementing Entity’s financial and administrative arrangements, including carrying out expenditure analysis and strengthening the roles of relevant bodies of the Project Implementing Entity; and

3. Developing and implementing a human resources strategy and a training plan, and supporting the Scholarship Program.
Part C: Project Management

Supporting Project implementation and management, including, through technical assistance, training, provision of consultants’ services, equipment and financing of Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause the Project Implementing Entity to maintain, until the completion of the Project, the PMT with functions, staffing (with qualifications and terms of reference satisfactory to the Association) and resources satisfactory to the Association. The PMT shall be responsible for, inter alia: (a) the coordination, implementation, and management (including, fiduciary aspects) of day-to-day Project activities; (b) preparing AWP&B; (c) carrying out all disbursements and any financial management and procurement-related activities; (d) monitoring and evaluating Project activities; (e) preparing and consolidating Project Reports; (f) coordinating with other stakeholders on issues related to the Project; and (g) providing administrative support.

2. The Recipient shall cause the Project Implementing Entity to carry out the Scholarship Program under Part B.3 of the Project, in accordance with the eligibility criteria, selection methods, procedures, transaction, control and clearance processes and the procedural mechanisms and other provisions, as set forth in the PIM.

3. The Recipient shall cause the Project Implementing Entity to, by no later than one (1) month after the Effective Date, ensure that:

   (a) the PIM has been adopted in a manner and with content acceptable to the Association;

   (b) the PMT referred to in Section I.A.1 of Schedule 2 to this Agreement has been established and is functional, in form and substance satisfactory to the Association;

   (c) the Project Implementing Entity has recruited and/or trained within PMT a procurement specialist, a financial management specialist, and a project assistant, all with qualifications and terms of reference satisfactory to the Association.

4. The Recipient shall cause the Project Implementing Entity to, by no later than three (3) months after the Effective Date:

   (a) acquire and install a computerized accounting software in a manner acceptable to the Association; and
(b) appoint or hire an independent internal auditor and an independent external auditor with qualification and experience satisfactory to the Association.

5. The Recipient shall cause the Project Implementing Entity to ensure that all data produced and disseminated under Part A of the Project is publicly accessible in a manner acceptable to the Association.

6. The Recipient shall cause the Project Implementing Entity to:

(a) prepare a draft AWP&B for each Fiscal Year, setting forth: (i) a detailed description of planned activities for the Project for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion dates, outputs, and monitoring indicators to track progress of each activity;

(b) not later than December 15 of each Fiscal Year, furnish to the Association for its comments and approval, the draft AWP&B and promptly thereafter, finalize the AWP&B, taking into account the Association’s views and recommendations thereon; and

(c) adopt the final version of the AWP&B in the form approved by the Association not later than January 30 of such Fiscal Year.

B. PIM and PBF

1. The Recipient shall, and shall cause the Project Implementing Entity to, carry out the Project in accordance with the PIM, and shall not amend or waive any of its provisions without the prior written agreement of the Association; notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

2. The Recipient shall cause the Project Implementing Entity to carry out Part A.2 of the Project in accordance with the detailed agreements and procedures for PBF Payments (“PBF Arrangement”), set forth in the PIM.

3. For purposes of carrying out Part A.2(a) of the Project, the Recipient shall cause the Project Implementing Entity to:

(a) no later than sixty (60) days after the Effective Date, select, hire and retain an Independent Verification Entity with qualifications and experience and under terms of reference acceptable to the Association, in accordance with Section III of this Schedule.
cause the Independent Verification Entity to: (i) carry out a periodical technical verification of the level of achievement of the performance indicators set forth in the PBF Arrangement section of the PIM; and (ii) (A) prepare Independent Verification Reports covering a period of one calendar quarter, of such scope and detail as set forth in the PIM; and (B) furnish each Independent Verification Report to the Recipient no later than forty-five (45) days after the end of each calendar quarter; and

(c) no later than thirty (30) days after the receipt of each Independent Verification Report, forward to the Association each said report.

C. 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 the Subsidiary Agreement, under terms and conditions approved by the Association, which shall include, inter alia:

(a) the roles and responsibilities of the Project Implementing Entity with regard to the implementation of the Project; and

(b) the obligation of the Project Implementing Entity to: (i) comply with the provisions, procedures, criteria and standards set forth in this Agreement, the Procurement Regulations and the PIM; (ii) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines; (iii) provide, promptly as needed, the resources required for the purpose; (iv) procure the goods and services to be financed out of the Financing in accordance with the provisions of this Agreement; (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Project and the achievement of its objectives; (vi) (A) 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 Project; and (B) at the Association’s or the Recipient’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 Recipient and the Association; (vii) enable the Recipient and the Association to inspect the Project, its operation and any relevant records and documents; and (viii) prepare and furnish to the
Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

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. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

3. Notwithstanding the foregoing, in the event of a conflict among the provisions of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

D. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one 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. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report, not later than one month after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. 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 III. Procurement

All goods, works, non-consulting services and consulting 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training and Operating Costs for the Project (except Part A.2 of the Project)</td>
<td>10,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) (a) Goods, non-consulting services, consulting services, and Operating Costs for Parts A.2(a) and (b) of the Project</td>
<td>2,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) PBF Payments under Part A.2(c) of the Project</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Scholarship Program under Part B.3 of the Project</td>
<td>1,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Refund of Preparation Advance</td>
<td>400,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>14,600,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement.
(b) for payments under Category 2(a), unless the Recipient has updated the PBF Arrangement in the PIM, in a manner and with content satisfactory to the Association;

(c) for payments against PBF Payments under Category 2(b), unless the Project Implementing Entity has submitted evidence, satisfactory to the Association, that the PBF Payments have been made to Eligible Units in accordance and in compliance with the provisions of the PIM.

(d) for payments under Category 3, until the Recipient has submitted a list of beneficiaries for the Scholarship Program under Part B.3, evidencing, inter alia, that the selected beneficiaries: (i) meet the qualifications and eligibility criteria set forth in the PIM; and (ii) have been selected in compliance with the procedures and criteria established in the PIM, all in form and substance satisfactory to the Association.

2. The Closing Date is May 31, 2022.
APPENDIX

Section I. Definitions


2. “AWP&B” means the annual work program and budget prepared by the Recipient, as referred to in Section I A.1 of Schedule 2 to this Agreement.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Eligible Unit” means any survey unit responsible for carrying out activities under Part A.2(a) of the Project that, in accordance with the criteria included in the PIM, has reached the level of achievement of certain performance indicators included in the PIM.

5. “Fiscal Year” or “FY” means the Recipient’s Fiscal Year, starting January 1 and ending December 31.


7. “Independent Verification Entity” means the independent verification entity referred to in Section I.B.3(a) of Schedule 2 to this Agreement.

8. “Independent Verification Report” means each of the quarterly reports referred to in Section I.B.3(b) and (c) of Schedule 2 to this Agreement.

9. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, based on periodic budgets acceptable to the Association, including, inter alia: travel expenditures and other travel-related allowances such as per diems and reasonable accommodation costs; equipment rental and maintenance; vehicle operation (excluding fuel), maintenance, insurance and repair; office rental and maintenance; office materials and supplies; reasonable costs of rental of facilities and hospitality costs for Project-related meetings; consumables; utilities; internet service charges; media information campaigns and communications’ expenses; advertising expenses; banking charges, but excluding the salaries of officials and public servants of the Recipient’s civil service.

10. “PBF” means Performance Based Financing.
11. "PBF Arrangement" means arrangement for PBF Payments referred to in Section 1.B of this Agreement, including: (a) identification of specific activities subject to PBF, and the deliverables and performance indicators for each such activity, including unit of measure; (b) eligibility criteria and mechanisms for calculating PBF Payments for each such deliverable, including procurement assessments, flow of funds and mechanisms for reimbursement of said PBF Payments; (c) verification mechanisms for said deliverables and PBF Payments; (d) periodicity of calculating PBF Payments; (e) reporting mechanisms related to PBF Payments; and (f) terms and conditions of PBF Payments, including modes of Payment.

12. "PBF Payment" means a cash incentive (but excluding the salaries of officials and public servants of the Recipient’s civil service) paid to an Eligible Unit on the basis of its level of achievement of a set of performance indicators set forth in the PIM.

13. "PIM" means the Project Implementation Manual referred to in Section 1.B of Schedule 2 to this Agreement, containing detailed procedures and arrangements for the Project, including with respect to: (a) administrative matters; (b) procurement; (c) financial management; (d) monitoring and evaluation; (e) the eligibility criteria, selection methods, procedures, transaction, control and clearance processes and the procedural mechanisms and other provisions related to the Scholarship Program; (f) the PBF Arrangement set forth in Section 1.B.2 of Schedule 2 to this Agreement; and (g) implementation arrangements and responsibilities, to ensure proper implementation of the Project and coordination among the various stakeholders, as such manual may be amended from time to time with the prior written agreement of the Association, and such term includes any schedules and annexes of said manual.

14. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on April 28, 2017 and on behalf of the Recipient on May 11, 2017.

15. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 15, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


17. "Project Agreement" means an agreement referred to Article 3.01 of this Agreement, to be entered into the Recipient and the Association, to facilitate the implementation of the Project.
18. “Project Implementing Entity” means the Recipient’s National Institute of Statistics (Institut National de la Statistique) (INSTAT), established and operating pursuant to the Project Implementing Entity’s Legislation, or any successor thereto.

19. “Project Implementing Entity’s Legislation” means the Recipient’s Decree No. 09-126/P-RM, dated March 20, 2009, setting out the organization and the modalities of operation of the National Institute of Statistics.

20. “PMT” means the Project Management Team within the Project Implementing Entity, referred to in Section I.A.1 of Schedule 2 to this Agreement.

21. “Scholarship Program” means the scholarship program for students admitted to study at selected statistics schools, including expenses such as cover enrollment, living expenses, transportation, housing, books, supplies and insurance, airfare tickets and laptop computer, all as further set forth in the PIM.

22. “Subsidiary Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.

23. “Training” means the training provided under the Project, including seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence expenditures and other travel-related allowances for training participants such as per diems and reasonable accommodation costs, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation, all based on periodic budgets acceptable to the Association.