Financing Agreement

(Skills Development and Youth Employment Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 25, 2014
FINANCING AGREEMENT

AGREEMENT dated July 25, 2014, 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 and a credit (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule I to this Agreement ("Project"):

(a) an amount equivalent to seventeen million four hundred thousand Special Drawing Rights (SDR 17,400,000) ("Grant"); and

(b) an amount equivalent to twenty-three million three hundred thousand Special Drawing Rights (SDR 23,300,000) ("Credit").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1).

2.05. The Payment Dates are April 1 and October 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 Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Vocational Training and Employment (MEFP), with the participation of other relevant ministries pursuant to Section I.A.3 of Schedule 2 to this Agreement, 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 Event of Suspension consists of the following, namely any of the Executing Agencies have breached any of their obligations under the Subsidiary Agreements to which they are a party, in a manner which, in the opinion of the Association, has or may have an adverse impact on the compliance by the Recipient with its obligations under this Agreement, the implementation of the Project or the achievement of its objective.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Project Implementation Manual has been adopted in form and substance satisfactory to the Association.
5.02. The Effectiveness Deadline is the date hundred twenty (120) days after the date of this Agreement.

5.03. 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 20 (twenty) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of Economy and Finance.

6.02. The Recipient’s Address is:

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

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

REPUBLIC OF MALI

By

Authorized Representative

Name: Fily Konaré Sissoko
Title: Minister Economy & Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Paul Noumbo Um
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to support education and training for employability and private-sector led job opportunities for youth in the Republic of Mali.

The Project consists of the following parts:

Part 1. Education and Training for Employability

1.1. Strengthening Technical and Vocational Education and Training through:

(a) supporting a reform package focusing on upgrading curriculum, management, human resources and physical rehabilitation, including equipment for selected public sector institutions in the agriculture and agro-industry, construction and mining sectors;

(b) supporting a reform package focusing on upgrading curriculum, management and human resources, including provision of equipment, for private TVET Institutions through: (i) the provision of consultants’ services, and Training; and (ii) the provision of Sub-grants for TVET Institutions for the financing of their respective Sub-projects; and

(c) supporting the ENETP by: (i) developing teacher training modules and strategies; (ii) training of teachers’ trainers; and (iii) providing limited equipment.

1.2. Strengthening skills development for out of school youth, through:

(a) supporting the design and the implementation a dual apprenticeship program for out of school youth in urban localities; and

(b) supporting the design and implementation of a decentralized skills training program for out of school youth in peri-urban and rural localities through: (i) the provision of goods, non-consultant services and consultants’ services, Training and Operating Costs; and (ii) the provision of Stipends to local producers.

Part 2. Private-Sector led Job Creation for Youth

2.1. Supporting entrepreneurship for youth by:

(a) organizing and conducting entrepreneurship programs for youth with less than upper secondary education degree through: (i) training activities.
(ii) the provision of Seed Funds as grants for youth to start or consolidate their own enterprise; and (iii) provision of Guarantee Funds; and

(b) organizing and conducting entrepreneurship programs for youth with at least an upper secondary education degree through: (i) carrying out a business plan competition; (ii) the provision of Seed Funds as grants for youth to start or consolidate their own enterprise; and (iii) provision of Guarantee Funds.

2.2. Supporting established small and medium enterprises for job creation, through the provision of Matching Grants to Matching Grants Beneficiaries and Guarantee Funds to help high potential local SMEs improve their production processes, processing and/or marketing to support job creation.

Part 3. Institutional Strengthening and Project Management

Provision of works, goods, non-consultant services, consultants' services, Training and Operating Costs for:

(a) developing an employment information system, including capacity building for the labor market observatory and support to conduct employment and tracer surveys, as well as SME inventories and surveys;

(b) developing a skills certification and employment promotion framework, including updating of relevant legal frameworks, policy documents, and promoting multi-sector consultation frameworks;

(c) supporting the institutional strengthening of the relevant technical departments from the ministries for Employment and Vocational Training, Secondary Education, and Industry and Investments, and the Executing Agencies; and

(d) supporting the PCU activities for Project coordination, fiduciary processes, monitoring and evaluation (M&E).
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient, through MEFP, shall establish not later than three (3) months after Effective Date and thereafter maintain, throughout the implementation of the Project and in a manner satisfactory to the Association, a Project Steering Committee chaired by the minister of the MEFP or his representative. The Project Steering Committee shall be responsible, inter alia, for the review, validation and approval of all Annual Action Plans and Budgets and semi-annual progress reports before submission to the Association.

2. The Recipient, through MEFP, shall maintain, throughout the implementation of the Project, a Project Coordination Unit (PCU). The PCU shall be headed by a Project Coordinator and shall be responsible for the overall coordination, as well as monitoring and evaluation, administrative, financial management and procurement oversight, and disbursements reporting of the Project.

3. Without prejudice to the provisions of paragraph 2 of this Section I.A, the MEFP shall be responsible for the overview of the Project. In particular, the MEFP shall overview the Project in association with other institutions as follows: (i) the Ministry of Industry and Investments (Ministère de l’Industrie et des Investissements) for the activities under Part 2 of the Project; (ii) the Ministry of Education and National Languages (Ministère de l’Education et des Langues Nationales) for the activities under Part 1.1 of the Project; and (iii) the Ministry of Higher Education and Scientific Research (Ministère de L’Enseignement Supérieur et Recherche Scientifique) and the Ministry of Education and National Languages (Ministère de l’Education et des Langues Nationales) for activities under Part 1.1 (c).

B. Project Manuals

1. The Recipient, through MEFP shall carry out and cause the Project to be carried out in accordance with: (i) Project Implementation Manual (PIM); (ii) the Manual for Sub-grants for TVET Institution; and (iii) the Manual for Matching Grants.

2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the PIM, the Manual for Sub-grants for Schools or the Manual for Matching Grants, or any provision thereof.
3. In the event of any conflict between the provisions of the PIM, the Manual for Sub-grants for Schools or the Manual for Matching Grants and those of this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Subsidiary Agreements

1. To facilitate the carrying out of Parts 1.1. (b) (ii), 1.2 (a) and Part 2 of the Project, the Recipient, through MEFP, shall enter into agreements with executing agencies ("Executing Agency"), under terms and conditions satisfactory to the Association ("Subsidiary Agreement").

2. The Recipient shall obtain rights adequate to protect its interests and those of the Association, which shall include the following:

   A. The Recipient shall have the right to suspend or terminate the right of the Executing Agency to use the proceeds of the Financing, or obtain a refund of all or any part of the amount of the Financing, then withdrawn, upon the Executing Agency’s failure to perform any of its obligations under the Subsidiary Agreement; and

   B. Each Executing Agency shall be required to: (1) carry out or cause its Part of the Project to be carried out, 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: (a) the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; and (b) the Safeguard Instruments, including, if applicable, the Resettlement Action Plan and Environmental Management Plan for any Project activities is required, all measures required to be taken pursuant to such plan prior to the commencement of works are taken as required; (2) provide, promptly as needed, the resources required for the purpose; (3) procure the goods, works and services to be financed out of the Financing in accordance with the provisions of this Agreement; (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its Part of the Project and the achievement of the Project objective; (5) (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 its Part of the Project; and
(b) 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, but not later
than six (6) months after the end of the fiscal year; (6) enable the Recipient
and the Association to inspect its Part of the Project, its operation and any
relevant records and documents; and (7) 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.

3. 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.

E. Sub-Grants for TVET Institutions and Matching Grants

1. For the implementation of Part 1.1(b) (ii) of the Project, the Recipient, through
FAFPA, as Executing Agency, shall make Sub-grants to TVET Institutions for
the financing of TVET Institution Sub-projects, in each case in accordance with
eligibility criteria and procedures acceptable to the Association, all as set forth in
the Manual for Sub-grants for Schools.

2. For the implementation of Part 2.2. of the Project, the Recipient, through an
Executing Agency, shall make Matching Grants to Matching Grants
Beneficiaries for the financing of Matching Grant Sub-projects in each case in
accordance with eligibility criteria and procedures acceptable to the Association,
all as set forth in the Manual for Matching Grants.

F. Seed Funds and Guarantee Funds

1. For the implementation of Parts 2.1 (a) and 2.1 (b), the Recipient, through APEJ,
as Executing Agency and other Executing Agency than APEJ respectively, shall
make Seed Funds available to youth participating in entrepreneurship programs
under the Project to start or consolidate an enterprise, in each case in accordance
with eligibility criteria and procedures acceptable to the Association, all as set
forth in the PIM.

2. For the implementation of Parts 2.1 (a) (iii), 2.1 (b) (iii) and 2.2 of the Project,
the Recipient, through FARE and in coordination with APEJ and other Executing
Agency than APEJ, shall make Guarantee Funds available to commercial banks
and micro-finance institutions to guarantee loans for the youth and SMEs
targeted by the entrepreneurship and SME programs, in each case in accordance with eligibility criteria and procedures acceptable to the Association, all as set forth in the PIM.

3. The Recipient shall, for purposes of Parts 2.1 (a) (iii), 2.1 (b) (iii) and 2.2 of the Project, entrust FARE, as Executing Agency, to open and maintain an account on terms and conditions satisfactory to the Association ("Guarantee Funds Account"). The Recipient shall ensure, and shall cause FARE, as Executing Agency, to ensure, that deposits into and payments out of the Guarantee Funds Account shall be made in accordance with the provisions of the applicable Subsidiary Agreement and the PIM.

4. The proceeds of the Financing deposited in the Guarantee Funds Account shall be used exclusively for eligible expenditures in accordance with the terms of this Agreement, the applicable Subsidiary Agreement and the PIM.

5. The Recipient shall cause FARE to release to the Recipient, immediately and without delay, any balance of the Guarantee Funds remaining in the Guarantee Funds Account after the Closing Date. The Recipient shall, within seven (7) days of receiving such balance from FARE, refund said balance in its entirety to the Association.

G. Annual Work Plans and Budgets

1. Not later than November 30 in each calendar year, the Recipient shall for the purpose of forwarding to the Association submit an annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, _inter alia_: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained; (c) the selection criteria of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such Training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior written approval.

H. Safeguards

1. The Recipient shall carry out and shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework (ESMF) and Resettlement Plan Framework (RPF) to be completed and disclosed during the first year of Project implementation. Where the ESMF and/or RPF require that an Environmental and Social Management Plan (ESMP) and/or Resettlement Action Plan (RAP) be prepared for an activity under the Project, the Recipient shall, in accordance with the ESMF and/or RPF, as the case may be, prepare such a plan, in form and substance satisfactory to the Association, and disclose it, before the starting of the implementation of such activity.

2. In the event that any provision of the ESMF and RPF or ESMP and RAP shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 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 not later than forty five (45) days 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.

4. The Recipient shall recruit: (i) no later than one (1) month after effectiveness a financial management expert and an accountant on a competitive basis in accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to the Association; (ii) not later than six (6) months after the Effective Date, the external auditor referred to in Section 4.09 (b) of the General Conditions in accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to the Association; and (iii) not later than four (4) months after the Effective Date, an internal auditor, whose qualifications and experience and terms of reference shall be acceptable to the Association.

5. The Recipient shall, not later than two (2) months after the Effective Date, acquire, install and thereafter maintain an accounting software acceptable to the Association, for the Project.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-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 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions provided in section 3 below; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and (e) Direct Contracting.

3. **Additional Provisions for NCB.** The Additional Provisions for National Competitive Bidding are as follows:

   (a) **Using of competitive method:** Even though the National Procurement Code does not apply to some small contracts, the procedures will require that for such contracts, a competitive method be used;

   (b) **Advertising:** The General Procurement Notice would be advertised in the United Nations Development Business (UNDB) online and on the Bank’s external website, specific invitation to bids would be advertised in at least one national widely circulated newspapers or on a widely used website or electronic portal of the Recipient with free national and international access;

   (c) **Standard Bidding Documents:** All standard bidding documents to be used for the Project shall be found acceptable to the Association before their use during the implementation of the Project;

   (d) **Eligibility:** No restriction based on nationality of bidder and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process. Recipient’s government-owned enterprises or institutions shall be eligible to participate in the bidding process only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient;

   (e) **Bid preparation:** Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding
documents, whichever is later, to prepare and submit bids; except in cases of emergency declared by the Recipient, and provided that such emergency is recognized by the Association and the Association has given its approval for less time for the bids submission;

(f) **Bid Evaluation and Contract Award:** the evaluation and contract award process of alternative bids would be revised according to Bank’s Procurement guidelines. The criteria for bid evaluation and contract award conditions shall be clearly specified in the bidding documents;

(g) **Preferences:** No domestic preference shall be given to domestic/ West African Economic and Monetary Union (WAEMU) countries bidders; to domestically/WAEMU area manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;

(h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank’s policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the paragraph 1.16 (a) of the Procurement Guidelines; and

(i) **Right to Inspect and Audit:** In accordance with paragraph 1.16 (a) of the Procurement Guidelines, each bidding document and contract financed from the proceeds of the financing shall provide that: (i) the bidders, suppliers, and contractor and their subcontractors, agents personnel, consultants, service providers or suppliers, shall permit the Association, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16 (a) (v) of the Procurement Guidelines.

(j) **Suspension and debarment:** The cases of suspension/debarment under the Recipient system shall result from fraud and corruption as set forth in paragraph 1.16 (a) of the Procurement Guidelines and approved by the Association provided that the particular suspension/debarment procedure afforded due process and that the suspension/debarment decision is final.
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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. 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 amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consultant, consultants’ services, Training, Stipends, and Operating Costs under the Project (except for Parts 1.1. (b) (ii), 1.2 (a), 2.1 (a) and 2.1 (b))</td>
<td>10,457,000</td>
<td>6,677,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consultant, consultants’ services, Training and Operating Costs under Parts 1.1. (b) (ii) and 1.2 (a) of the Project</td>
<td>2,490,000</td>
<td>1,860,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Sub-Grants under Part 1.1 (b) of the Project</td>
<td>1,780,000</td>
<td>1,330,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) (a) Consultants’ services, Training, non-consultant services under Part 2.1 (a) of the Project</td>
<td>1,340,000</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) (b) Seed Funds to be implemented under Part 2.1 (a) of the Project</td>
<td>530,000</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>(5) (a) Consultants’ services, Training, non-consultant services under Part 2.1 (b) of the Project</td>
<td>891,000</td>
<td>645,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) (b) Seed Funds under Part 2.1 (b) of the Project</td>
<td>992,000</td>
<td>718,000</td>
<td></td>
</tr>
<tr>
<td>(6) Matching Grants under Part 2.2 of the Project</td>
<td>2,450,000</td>
<td>1,830,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(7) Guarantee Funds:

<table>
<thead>
<tr>
<th>Category</th>
<th>Part 2.1 (a)</th>
<th>Part 2.1 (b)</th>
<th>Part 2.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>1,330,000</td>
<td>90,000</td>
<td>550,000</td>
</tr>
<tr>
<td>Project</td>
<td>1,000,000</td>
<td>1,530,000</td>
<td>410,000</td>
</tr>
</tbody>
</table>

100% of amounts called and paid under the Guarantee Funds

(8) Refund of Preparation Advance

| Amount | 400,000 |

Amount payable pursuant to Section 2.07 of the General Conditions

TOTAL

| Amount | 23,300,000 | 17,400,000 |

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) Under Category (2) unless the Subsidiary Agreement has been signed between the MEFP and FAFPA, as Executing Agency, under terms and conditions satisfactory to the Association.

(c) Under Category (3) unless: (i) the Recipient, through MEFP, has prepared and adopted the Manual for Sub-grants for TVET Institutions, in form and substance satisfactory to the Association; and (ii) a Subsidiary Agreement has been signed between MEFP and FAFPA, as Executing Agency, under terms and conditions satisfactory to the Association.

(d) Under Category (4) unless a Subsidiary Agreement has been signed between MEFP and APEJ, as Executing Agency, under terms and conditions satisfactory to the Association.

(e) Under Category (5) unless a Subsidiary Agreement has been signed between MEFP and the respective Executing Agency, under terms and conditions satisfactory to the Association.
(f) Under Category (6) unless: (i) a Subsidiary Agreement has been signed between the MEFP and the respective Executing Agency, under terms and conditions satisfactory to the Association; and (ii) the Recipient, through MEFP, has prepared and adopted the Manual for Matching Grants in form and substance satisfactory to the Association.

(g) Under category (7) unless a Subsidiary Agreement has been signed between MEFP and FARE, as Executing Agency, under terms and conditions satisfactory to the Association.

2. The Closing Date is June 30, 2020.
### SCHEDULE 3

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1:</td>
<td></td>
</tr>
<tr>
<td>commencing October 1, 2024 to and including April 1, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing October 1, 2034 to and including April 1, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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


2. "Annual Work Plan and Budget" means the annual work plan and budget as prepared by the Recipient for and approved by the Association in accordance with the provisions of Section I.G of Schedule 2 to this Agreement.

3. "APEJ" means the Recipient’s Agency for the Promotion of Youth Employment (Agence pour la Promotion de l’Emploi des Jeunes), or any successor thereto.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "Executing Agency” means the agency to carry out its respective Part(s) of the Project, including procurement, financial management, quality control, and implementation of applicable safeguards instruments under the Project, namely: (i) for the purposes of Parts 1.1 (b) (ii) and Part 1.2 (a) of the Project, FAFPA; (ii) for the purposes Part 2.1 (a) of the Project, APEJ and FARE; and (iii) for the purposes of Parts 2.1 (b) and 2.2 of the Project, FARE, and any entity as may be selected by the Recipient as executing agency on the basis of eligibility and performance criteria described in the PIM.

7. "ENETP" means the Recipient’s Ecole Normale de l’Enseignement Technique et Professionnel, or any successor thereto.

8. "ESMF" means the Recipient’s document to be adopted pursuant to Section I.H.1, as may be amended from time to time subject to prior written consent from the Association, outlining inter alia: (i) the modalities to be followed by the Recipient in assessing the potential adverse environmental and social impacts of the Project, and (ii) the measures to be taken to offset, reduce or mitigate such adverse impacts.

9. "ESMP" means each Recipient’s document prepared and disclosed in accordance with the ESMF with respect to an activity included in an Annual Work Plans and Budgets, that details: (i) the potential adverse environmental and social impacts of such activity during planning, design, construction and operation, and (ii) the
monitoring and mitigation measures, as well as institutional arrangements and budget for carrying out these measures.

10. "FAFPA" means the Recipient's Fund for the Support to Vocational Training and Apprenticeship (Fonds d'Appui a la Formation Professionelle et a l'Apprentissage), or any successor thereto.

11. "FARE" means the Recipient’s Auto-Renewable Fund for Employment (Fonds de Garantie auto-renouvable pour l’Emploi), or any successor thereto.

12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

13. “Guarantee Fund” means a partial risk guarantee of the payment obligations of selected youth and SMEs targeted under entrepreneurship and SMEs programs provided, or to be provided, out of the proceeds of the Financing under Parts 2.1 and 2.2 of the Project, in accordance with Section I.F.2 of Schedule 2 to this Agreement and the provisions of the PIM.

14. “Guarantee Funds Account” means the account to be established by FARE, as Executing Agency, at one or more commercial banks and/or micro-finance institutions acceptable to the Association, referred to in Section I.F.3 of Schedule 2 to this Agreement into which the proceeds of the Financing provided by the Recipient to FARE, under the respective Subsidiary Agreement, shall be credited, such proceeds to be maintained separate and apart from FARE’s ordinary operations accounts or the accounts from which it makes guarantees not supported under the Project.

15. “Manual for Sub-grants for TVET Institutions” means the manual adopted by the Recipient, in form and substance acceptable to the Association, containing detailed guidelines and procedures for the implementation of Sub-grants for schools, including, inter alia, eligibility criteria, selection procedures, implementation procedures, and monitoring.

16. “Manual for Matching Grants” means the manual adopted by the Recipient, in form and substance acceptable to the Association, containing detailed guidelines and procedures for the implementation of Matching Grants, including, inter alia, eligibility criteria, selection procedures, implementation procedures, and monitoring.

17. “Matching Grants” means grants for non-financial services and grants for financial services to local SMEs to improve their production process, processing and/or marketing to support job creation.
18. "Matching Grant Agreement" means the Agreement between the Executing Agency and a Matching Grant Beneficiary.

19. "Matching Grant Beneficiary" means a local SME duly established and validly operating under the law, and in the territory, of the Recipient.

20. "Matching Grant Sub-projects" means projects or activities to be carried out under Part 2.2 of the Project.

21. "Ministry of Industry and Investments" means the Recipient’s ministry in charge with industry and investments, or any successor thereto.

22. "Ministry of Higher Education and Scientific Research" means the Recipient’s ministry in charge with higher education, or any successor thereto.

23. "Ministry of Education and National Languages” means the Recipient’s ministry in charge with secondary education, or any successor thereto.

24. "MEFP" means the Recipient’s Ministry of Vocational Training and Employment (Ministère de l'Emploi et de la Formation Professionnelle), or any successor thereto.

25. "Operating Costs" means the incremental expenses incurred by the MEFP, Ministry of Secondary Education, Ministry of Industry and Investments, PCU and Executing Agencies, based on the Annual Work Plans and Budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honorariums and bonus of members of the recipient’s civil service.

26. "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 No. Q 913-ML signed on behalf of the Association on March 31, 2014 and on behalf of the Recipient on March 31, 2014.


28. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 20, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
29. "Project Coordination Unit" or "PCU" means the unit to be maintained pursuant to the provisions of Section I.A.2 of Schedule 2 to this Agreement.

30. "Project Implementation Manual" means the manual, in form and substance acceptable to the Association, adopted by the Recipient pursuant to Section 5.01 (b) of this Agreement, setting out: (i) detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, disbursement, coordination, environmental safeguards, financial, administrative and accounting procedures, and such other administrative, financial, technical and implementation arrangements and procedures as shall be required for the Project; (ii) procedures and guidelines for the implementation of Seed Funds under Parts 2.1 (a) (ii) and 2.1 (b) (ii); and (iii) procedures and guidelines for the implementation of Guarantee Funds under Parts 2.1 (a) (iii), 2.1 (b) (iii) and 2.2 of the Project.

31. "Project Steering Committee" means the committee established pursuant to Section A.I.1 of Schedule 2 to this Agreement composed of representatives from all involved ministries, the private sector and the youth associations.

32. "Resettlement Action Plan" or "RAP" means a resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to the provisions of Section I.H.1 of Schedule 2 to this Agreement.

33. "Resettlement Plan Framework" or "RFP" means the Recipient's document to be adopted pursuant to Section I.H.1, as may be amended from time to time subject to prior written consent from the Association, outlining inter alia the modalities for resettlement and compensation of any persons who may be affected or displaced by any resettlement as a result of the Project, including guidelines for the preparation of the appropriate resettlement action plans, as the same may be amended from time to time with the prior written approval of the Association.

34. "Seed Funds" means initial capital to start or consolidate an enterprise for youth participating in entrepreneurship programs under Part 2.1 (a) (ii) and 2.1 (b) (ii) the Project.

35. "SME" means small and medium enterprise.

36. "Stipends" means reasonable monthly payments to help local producers meet the cost of providing basic needs for survival for the youth they train under the decentralized short term skills training program.

37. "Sub-grant" means grants provided to eligible TVET Institution for the financing of their respective Sub-project.
38. "Sub-grant Agreement" means an agreement to be entered into between FAFPA, as Executing Agency, and a TVET Institution to support a TVET Institution Sub-project, as the case may be, in accordance with the provisions of Section I.E.1 of Schedule 2 to this Agreement.

39. "Subsidiary Agreement" means the agreement to be entered into between the Recipient and each Executing Agency for the purpose of implementing the Project as referred to in Section I.D of Schedule 2 to this Agreement.

40. "TVET" means technical and vocational education training.

41. "TVET Institution" means a private sector TVET institution (delivering formal or non-formal programs) organized and operating in the Recipient’s territory which has met the eligibility criteria specified in the Manual for Sub-grants for TVET Institutions and, as a result, has been extended, or is to be extended, a Sub-grant for the carrying out of a TVET Institutions Sub-project.

42. "TVET Institution Sub-project" means a project or activity to be carried out under Part 1.1 (b) (ii) of the Project.

43. "Training" means costs associated with the participation of personnel involved in Project-supported activities in training activities and workshops, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to a training course or workshop preparation and implementation.