Mr. Elwely Bouhebeyni
Director General
Société de Gestion de l'Energie de Manantali (SOGEM)
ACI 2000 Parcelle No. 2501
BP E 4015
Bamako, Republic of Mali

Re: PPIAF Grant No. TF0A2509
Leverage of the OMVS/SOGEM Excess Network Capacity Project
Letter Agreement

Dear Sir:

In response to the request for financial assistance made on behalf of Société de Gestion de l'Energie de Manantali ("SOGEM") ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (collectively, the "World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Public-Private Infrastructure Advisory Facility ("PPIAF") Trust Fund, proposes to extend to the Recipient, for the benefit of Republic of Mali, Islamic Republic of Mauritania and Republic of Senegal ("Member Countries") a grant in an amount not to exceed six hundred ten thousand United States Dollars (U.S. $610,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the notice of effectiveness from the World Bank to the
Recipient, confirming in accordance with the provisions of Section 5.02 of the Annex to this Agreement that the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 5.01 of the Annex to this Agreement has been satisfied.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Paul Noumba Um
Country Director for Mali
Africa Region

AGREED:

SOCIETE DE GESTION DE L'ENERGIE DE MANANTALI (SOGEM)

By:

[Signature]

Name: [Signature]
Title: Director General
Date: 6/01/2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants*, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016
Article I
Standard Conditions; Definitions

1.01.  **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02.  **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

(a)  "Memorandum of Understanding" means a non-binding agreement to establish official business partnership between the Recipient and the wholesale operator and the submarine landing stations in Mauritania and Senegal, respectively.

(b)  "OMVS" means the *Organisation pour la Mise en Valeur du Fleuve Sénégal*, established and operating pursuant to the OMVS Conventions.

(c)  "OMVS Conventions" means the Convention relative au *Statut du Fleuve Sénégal* of March 11, 1972, the *Convention portant Création de l’Organisation pour la Mise en Valeur du Fleuve Sénégal* of March 11, 1972, the *Convention relative au Statut Juridique des Ouvrages Communs* of December 21, 1978, the *Convention relative aux Modalités de Financement des Ouvrages Communs* of May 12, 1982, the convention establishing SOGEM of January 7, 1997, all among Mali, Mauritania and Senegal, and the *Traité d’Adhésion de la Guinée* of March 16, 2006 among Mali, Mauritania, Senegal, and Guinée.

(d)  "PPP" means Private-Public Partnership.

(e)  "Project Implementation Unit" and "PIU", each means the SOGEM Finance Directorate.

(f)  "SOGEM" and "Société de Gestion de l’Energie de Manantali", each means the society operating pursuant to the OMVS Convention of January 7, 1997, and any entity established to succeed SOGEM.

(g)  "SOGEM Finance Directorate" means the Project Implementation Unit composed of seven (7) staff headed by a finance director and two division chiefs, as referred to in Section 2.03 of this Annex.

(h)  "SOGEM’s Legislation" means the OMVS Convention of January 7, 1997 establishing SOGEM.

(i)  "Training " means the expenditures incurred by the Recipient to finance the cost of training, seminars, workshops, and study tours (including abroad) of persons involved in Project-supported activities, including the cost of travel, accommodations and subsistence costs for Training participants, costs associated with securing the services of trainers, rental of Training facilities, preparation and reproduction of Training materials, and other costs directly related to
Training preparation and implementation and other costs as may be approved by the World Bank for the purpose.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the Recipient in designing and implementing an innovative PPP model with a private wholesale operator under a concession contract to sell excess capacity of the Recipient’s fiber optic network to improve regional integration through enhanced connectivity among the Member Countries.

The Project consists of the following parts:

A. Preparation of International Tender Documents Package

Support the Recipient in preparing an International Tender Documents Package for the selection of a wholesale operator; through:

(a) Carrying out of necessary due diligence regarding the technical, economical, legal and regulatory aspects of the recommended PPP operator model.

(b) Preparation of the international tender documents package, to include, inter alia: (i) wholesale operator draft authorization letters to be used by the Member Countries; (ii) draft of Memorandum of Understanding between the wholesale operator and the submarine landing stations in Mauritania and Senegal, respectively; (iii) PPP agreement to be used between the Recipient and the tender winning wholesale operator; (iv) request for qualification and request for proposal documents; and (v) briefing notes and any other supporting documents.

All through the provision of technical assistance, Training and necessary goods.

B. Assistance for Effective Implementation of the PPP Model

Provision of support to ensure an effective and efficient implementation of the Recipient’s PPP Model aimed at reselling the excess capacity on its fiber optic network, through:

(a) Setting up a space for all relevant technical and financial data, and legal documents.

(b) Assisting the Recipient during the pre-qualification phase in: (i) organizing a conference for potential wholesale operators, aimed at discussing and clarifying any bidders’ issues; (ii) drafting qualification reports; (iii) preparing evaluation reports, including the drafting of bid evaluation reports; and (iv) carrying out negotiations with preferred bidders, including signature of PPP agreements.

C. Capacity Building and Knowledge Transfer

Strengthening the Recipient’s monitoring capacity of the performance of the selected private operator through the provision of: (a) training; and (b) required tools to all of the Recipient’s relevant staff.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Project
Implementing Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”).

2.03. **Institutional and Other Arrangements.** Without limitation upon the provisions of Section 2.02 above; the Recipient shall establish and thereafter maintain, throughout Project implementation, a project implementation unit with composition, mandate and resources satisfactory to the World Bank, to be chaired by the SOGEM’s finance director, and comprised of SOGEM Finance Directorate team (“Project Implementation Unit” or “PIU”). To this end, the PIU, shall be responsible for day-to-day Project coordination and implementation, including: (i) carrying out Project financial management and procurement activities; (ii) preparing Annual Work Plans; (iii) monitoring and evaluating Project activities; (iv) monitoring progress reports of the Project as well as preparing evaluation reports; and (v) coordinating with other stakeholders on Project implementation.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Member Countries’ territory for purposes related to the Project.

2.05. **Documents; Records**

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof; and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the World Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress 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 acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.
(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.07. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) 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. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.08. **Procurement**

(a) **General.** All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011, July 2014 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, subject to the use of the provisions of the World Bank’s Guidelines and Standard Bidding Documents; (B) Shopping; (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments 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) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 following table. The 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed inclusive of Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services and Training under the Project</td>
<td>610,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>610,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is January 1, 2018.

**Article IV**
**Additional Remedies**

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) IBRD or IDA has declared the Recipient ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(b) The SOGEM’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this agreement.

**Article V**
**Effectiveness; Termination**

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Project Implementation Unit referred to in Section 2.03 of this Annex has been established by the Recipient.

5.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Annex (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**
**Recipient’s Representative; Addresses**

6.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Director General.
6.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

*Société de Gestion de l’Energie de Manantali (SOGEM)*

ACI 2000 Parcelle No. 2501  
BP E 4015  
Bamako, Republic of Mali

Facsimile:  
+223 20 23 83 50

6.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:  
Facsimile:

248423 (MCI) or  
64145 (MCI)  
1-202-477-6391
APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Paragraph 17 of the Appendix (Definitions) is modified to read as follows:

   “17. “Member Country” means a member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions, and refers separately to each such member.”

4. Section 3.07 is modified to read as follows:
   “Section 3.07. Financing Taxes

   (a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, a Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

5. Section 4.02 is amended as follows:

   (i) Paragraph (a) is amended to read as follows:

   “(a) Interference. If the Grant has been made to a Recipient which is not the Member Country, a Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Grant Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Grant or the Project.”

   (ii) Paragraphs (c) and (d) are amended to read as follows:

   “(c) Fraud and Corruption. At any time, the World Bank determines that any representative of the Recipient (or any Member Country, if the Recipient is not the Member Country, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such Member Country or any other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

   (d) Cross Suspension. IBRD or IDA has suspended in whole or in part the right of the Recipient (or of any Member Country, if the Recipient is not the Member Country) to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient (or by any such Member Country) to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”

   (iii) Paragraph (h) is amended to read as follows:
“(h) Membership. A Member Country: (i) has been suspended from membership in or ceased to be a member of IBRD or of IDA; or (ii) has ceased to be a member of the International Monetary Fund.”

(iv) The first sentence of paragraph (i) is amended to read as follows:

“(i) Condition of Recipient. If the Grant has been made to a Recipient which is not a Member Country:”

(v) Paragraph (j) is amended to read as follows:

“(j) Ineligibility. IBRD or IDA has declared the Recipient (other than a Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier.”

6. Paragraph (c) of Section 4.03 is modified to read as follows:

“(c) Fraud and Corruption. At any time, the World Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a Member Country, or any other recipient of the proceeds of the Grant), without the Recipient (or any such Member Country or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

7. Paragraph (a)(ii) of Section 4.05 is modified to read as follows:

“(ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a Member Country, or other recipient of such amount of the Grant), in either case without the Recipient (or any such Member Country, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

8. Paragraph (j) of Section 5.03 is modified to read as follows:

“(j) If, within thirty days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or
(iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, if the Recipient is the Member Country, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section."