Special Fund Credit Agreement

(Third Education Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
as ADMINISTRATOR of the SPECIAL FUND
established with funds contributed by
certain members of the
International Development Association

Dated March 15, 1984
SPECIAL FUND CREDIT AGREEMENT

AGREEMENT, dated \textit{March 15}, 1984, between REPUBLIC OF MALI (the Borrower or Mali) and INTERNATIONAL DEVELOPMENT ASSOCIATION as ADMINISTRATOR of the Special Fund established with funds contributed by certain members of the International Development Association.

WHEREAS (A) by Resolution No. IDA 82-6, adopted on October 26, 1982, of the Executive Directors of the International Development Association (hereinafter called IDA) there has been established by IDA a Special Fund constituted by the funds which shall be contributed by certain members of IDA and administered by IDA, acting as Administrator of such Special Fund, for the purpose of, and in accordance with, the provisions of said Resolution;

(B) the Borrower has requested the Administrator for assistance from the resources of the Special Fund in the financing of the Project described in Schedule 2 to this Agreement and the Administrator has determined that such assistance would be in accordance with the provisions of the Resolution referred to above;

(C) the Borrower has requested IDA to provide additional assistance towards the financing of the Project and by an agreement of even date herewith between the Borrower and IDA (hereinafter called the Development Credit Agreement) IDA is agreeing to provide such assistance in an aggregate principal amount equivalent to four million four hundred forty thousand Special Drawing Rights (SDR 4,440,000) (hereinafter called the IDA Credit);

(D) the Borrower intends to contract from the African Development Fund (hereinafter called the Fund) a loan (hereinafter called the Fund Loan) in an amount equivalent to about six million nine hundred thousand dollars ($6,900,000) to assist in financing part of the Project on the terms and conditions set forth in an agreement (hereinafter called the Fund Loan Agreement) to be entered into between the Borrower and the Fund; and

WHEREAS the Administrator has agreed, on the basis, inter alia, of the foregoing, to extend the Special Fund Credit to the Borrower upon the terms and conditions hereinafter set forth;
NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the International Development Association, dated June 30, 1980, with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the International Development Association, as so modified, being hereinafter called the General Conditions):

(a) The term "Association", wherever used in the General Conditions, means the International Development Association acting as the Administrator of the Special Fund referred to in the Preamble to this Special Fund Credit Agreement.

(b) The terms "Development Credit Agreement", "Credit" and "Credit Account", wherever used in the General Conditions, are amended to read "Special Fund Credit Agreement", "Special Fund Credit" and "Special Fund Credit Account", respectively.

(c) The second sentence of Section 5.01 is deleted.

(d) In Sections 6.02 and 7.01, the term "Association" shall also include the International Development Association acting in its own capacity.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Special Fund Resolution" means Resolution No. IDA 82-6 of the Executive Directors of IDA which, inter alia, establishes the Special Fund.

(b) "Administrator" means the International Development Association acting as Administrator of the Special Fund referred to in the Preamble to this Special Fund Credit Agreement.
(c) "Part I member of IDA" means a member of IDA with respect to which the terms and conditions of membership are those prescribed in the Articles of Agreement of IDA for countries whose names are listed in Part I of Schedule A to those Articles.

(d) "Part II member of IDA" means a member of IDA which is not a Part I member of IDA.

(e) "Development Credit Agreement" means the agreement between the Borrower and IDA for the purpose of the Project, as such agreement may be amended from time to time; and such term includes the General Conditions Applicable to Development Credit Agreements of IDA, dated June 30, 1980, as made applicable to such agreement, all agreements supplemental to the Development Credit Agreement and all schedules to the Development Credit Agreement.

(f) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated February 2, 1982 and June 23, 1983 between the Borrower and the Association.

(g) "Mali Franc" and "MF" mean the currency of the Borrower.

(h) "Project Unit" means the unit established under the Development Credit Agreement (Education Project) for Credit No. 420 MLI, dated July 11, 1973, between the Borrower and the Association and maintained under the Development Credit Agreement (Second Education Project) for Credit No. 733 MLI, dated September 30, 1977, between the Borrower and the Association.

(i) "Special Account" means the account referred to in Section 2.02 (c) of this Agreement.

(j) "DNAFLA" means the Borrower's Direction Nationale de l'Alphabétisation Fonctionnelle et de la Linguistique.

(k) "DNPES" means the Borrower's Direction Nationale de la Planification et de l'Equipement Scolaires.

(l) "MEN" means the Borrower's Ministère de l'Education Nationale.
"Basic Education" means the Borrower's Enseignement Fondamental.

"EIV" means the Borrower's Ecole d'Infirmiers Vétérinaires.

"IPEG" means any of the Borrower's Instituts Pédagogiques d'Enseignement Général.

"CAA" means any of the Borrower's Centres d'Apprentissage Agricole.

"Agency" means any entity participating in the execution of the Project, including, but not limited to ministries, departments and agencies of the Borrower.

"Incremental Operating Costs" means the aggregate supplemental operating expenditures (excluding expenditures for the salaries of civil servants) incurred by each of the entities referred to in Parts A, B and C of the Project to the extent such expenditures were generated by the activities implemented by each of such entities under the Project.

"Note Technique" means the Note Technique issued by the Minister in charge of MEN on May 11, 1983, dealing with the état d'avancement des mesures à prendre en matière d'éducation et de formation suite à l'étude du secteur de l'éducation.

**ARTICLE II**

**The Special Fund Credit**

Section 2.01. The Administrator agrees to lend to the Borrower on the terms and conditions in the Special Fund Credit Agreement set forth or referred to, an amount in various currencies equivalent to four million six hundred sixty thousand Special Drawing Rights (SDR 4,660,000).

Section 2.02. (a) The amount of the Special Fund Credit may be withdrawn from the Special Fund Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and the Administrator, for expenditures made (or, if the Administrator shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project.
and to be financed out of the proceeds of the Special Fund Credit.

(b) Withdrawals shall be made only on account of expenditures for goods produced in, or services supplied from, the territories of (A) any Part II member of IDA; (B) any Part I member of IDA which fulfills the conditions set forth in paragraph 13 (d) (ii) of the Special Fund Resolution on the date of this Agreement, as determined by the Administrator.

(c) The Borrower shall, for the purpose of the Project, open and, thereafter, maintain in MF a Special Account in a commercial bank on terms and conditions satisfactory to the Administrator. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.03. Except as the Administrator shall otherwise agree, procurement of the goods and civil works to be financed out of the proceeds of the Special Fund Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be September 30, 1990, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Borrower of such later date.

Section 2.05. (a) The Borrower shall pay to IDA a commitment charge at the rate of one-half of one per cent (1/2 of 1%) per annum on the principal amount of the Special Fund Credit not withdrawn from time to time. The commitment charge shall accrue from a date sixty days after the date of the Special Fund Credit Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Special Fund Credit Account or shall be cancelled.

(b) The commitment charge shall be paid: (i) at such places as IDA shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.06. The Borrower shall pay to IDA a service charge
at the rate of three-fourths of one per cent (3/4 of 1%) per annum on the amount withdrawn from the Special Fund Credit Account and outstanding from time to time.

Section 2.07. Commitment charges and service charges shall be payable semiannually on February 15 and August 15 in each year.

Section 2.08. The Borrower shall repay to IDA the principal amount of the Special Fund Credit in semiannual installments payable on each February 15 and August 15 commencing August 15, 1994 and ending February 15, 2034, each installment to and including the installment payable on February 15, 2004, to be one-half of one per cent (1/2 of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent (1-1/2%) of such principal amount.

Section 2.09. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to both the objective of the educational sector as set out in the Note Technique and the objective of the Project as set forth in Schedule 2 hereto, and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, educational, technical and economic practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall, without limitation to the provisions of paragraph (a) of this Section, take all such measures necessary, including budgetary allocations, to cover the operating and monitoring costs of the Project.

Section 3.02. In order to assist the Borrower in carrying out the Project, the Borrower shall, as and when needed, employ consultants and experts whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Administrator, such consultants and experts to be selected in accordance with principles and procedures satisfactory to the
Administrator on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

Section 3.03. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Special Fund Credit against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) The Borrower shall cause all goods and services financed out of the proceeds of the Special Fund Credit to be used exclusively for the purposes of the Project.

Section 3.04. (a) The Borrower shall furnish to the Administrator, promptly upon their preparation, the plans, specifications, reports, contract documents and work and procurement schedules for the Project, and any material modifications thereof or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower shall: (i) maintain records and procedures adequate to record and monitor the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Special Fund Credit, and to disclose their use in the Project; (ii) enable the Administrator's representatives to visit the facilities and construction sites included in the Project and to examine the goods financed out of the proceeds of the Special Fund Credit and any relevant records and documents; and (iii) furnish to the Administrator quarterly reports containing all such information as the Administrator shall reasonably request concerning the Project, its cost and, where appropriate, the benefits to be derived from it, the expenditure of the proceeds of the Special Fund Credit and the goods and services financed out of such proceeds.

(c) The Borrower shall: (i) by October 15 of each year furnish to the Administrator all information concerning the indicators for the educational sector agreed upon between the Borrower and the Administrator, as well as all information concerning the estimated MEN budgetary allocations for the next fiscal year, in order to show the progress being made towards the
objective set for such sector; and (ii) by December 31, 1986, review with the Administrator the progress hitherto made towards such objective.

(d) Upon the award by the Borrower of any contract for goods, works or services to be financed out of the proceeds of the Special Fund Credit, the Administrator may publish a description thereof, the name and nationality of the party to whom the contract was awarded and the contract price.

(e) Promptly after completion of the Project, but in any event not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Administrator, the Borrower shall prepare and furnish to the Administrator a report, of such scope and in such detail as the Association shall reasonably request, on the execution and initial operation of the Project, its cost and the benefits derived and to be derived from it, the performance by the Borrower and the Administrator of their respective obligations under the Special Fund Credit Agreement and the accomplishment of the purposes of the Special Fund Credit.

Section 3.05. The Borrower shall take or cause to be taken all such action as shall be necessary to acquire as and when needed all such land and rights in respect of land as shall be required for the construction (and operation) of the facilities included in the Project and shall furnish to the Administrator, promptly after such acquisition, evidence satisfactory to the Administrator that such land and rights in respect of land are available for purposes related to the Project.

Section 3.06. The Borrower shall maintain the Project Unit with powers, responsibility, personnel and resources satisfactory to the Administrator.

Section 3.07. The Borrower shall: (a) furnish to the Administrator for its review and comments a program of all training activities included in the Project; and (b) award fellowships for such training program to suitably qualified candidates in accordance with criteria satisfactory to the Association for the selection of said candidates, for the award of such fellowships and for the designation of institutions for such training.

Section 3.08. The Borrower shall appoint officials who have successfully completed training under the Project to appropriate
Project related positions for a period at least equal to twice the period of training and, in any event, for no less than five (5) years.

Section 3.09. The Borrower shall, not later than July 1, 1986, establish and, thereafter, apply admission requirements for IPEGS to be satisfactory to the Administrator.

Section 3.10. The Borrower shall take all such measures as shall be necessary to ensure that the annual output of agricultural extension agents at all CAA and livestock technicians at EIV, shall not exceed a total of one hundred seventy-five of such agents and sixty of such technicians, respectively.

ARTICLE IV

Other Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and separate accounts adequate to reflect in accordance with consistently maintained appropriate accounting practices the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) Without limitation to the foregoing, the Borrower shall: (i) maintain or cause to be maintained separate accounts reflecting all expenditures on account of which withdrawals are requested from the Special Fund Credit Account on the basis of statements of expenditure; (ii) retain, until one year after the Closing Date, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures on account of which withdrawals are requested from the Special Fund Credit Account on the basis of statements of expenditure; and (iii) enable the Administrator's representatives to examine such records.

(c) The Borrower shall: (i) have the Special Account, and the separate accounts referred to in paragraphs (a) and (b) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator; (ii) furnish to the Administrator, as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by such auditors, of such
scope and in such detail as the Administrator shall have reason-
ably requested, including without limitation to the foregoing, a
separate opinion by said auditors in respect of the expenditures
and records referred to in paragraph (b) of this Section as to
whether the proceeds of the Special Fund Credit withdrawn from
the Special Fund Credit Account on the basis of statements of
expenditure have been used for the purpose for which they were
provided; and (iii) furnish to the Administrator such other
information concerning said accounts, records and expenditures
and the audit thereof as the Administrator shall from time to
time reasonably request.

Section 4.02. The Borrower shall adequately maintain, or
cause to be maintained, the installations and facilities con-
structed, improved, equipped or otherwise assisted under the
Project in accordance with appropriate administrative, technical
and educational practices, and provide, promptly as needed, the
funds, facilities, services and other resources required for the
purpose.

ARTICLE V

Remedies of the Administrator

Section 5.01. (a) For the purposes of Section 6.02 of the
General Conditions, the following additional events are specified
pursuant to paragraph (h) thereof, namely, that subject to para-
graph (b) of this Section:

(i) the right of the Borrower to withdraw the proceeds
of any grant, loan or credit (including the IDA
Credit or the Fund Loan) made to the Borrower for
the financing of the Project shall have been
suspended, cancelled or terminated in whole or in
part, pursuant to the terms of the agreement
providing therefor; or

(ii) any such loan or credit (including the IDA Credit
or the Fund Loan) shall have become due and
payable prior to the agreed maturity thereof.

(b) Paragraph (a) of this Section shall not apply if: (i)
such suspension, cancellation, termination or prematuring is not
caused by the failure of the Borrower to perform any of its
obligations under such agreement; and (ii) adequate funds for the
Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified pursuant to paragraph (d) thereof, namely, that the event specified in paragraph (a) (ii) of Section 5.01 of this Agreement shall occur.

ARTICLE VI

Effective Date; Termination; Designation of Administrator

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Special Fund Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely, that:

(a) the Special Account has been opened in accordance with the provisions of Section 2.02 (c) hereof; and

(b) all conditions precedent to the effectiveness of the Development Credit Agreement, except for the effectiveness of this Agreement, have been fulfilled.

Section 6.02. The date September 18, 1984, is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. The provisions of Sections 4.02 and 5.02 of this Agreement shall cease and determine on the date on which the Special Fund Credit Agreement shall terminate or on a date twenty years after the date of this Agreement, whichever shall be the earlier.

Section 6.04. In the event that the Executive Directors of IDA decide to terminate the functions of IDA as Administrator of the Special Fund pursuant to paragraph 17 of the Special Fund Resolution, the Administrator may, by notice to the Borrower, designate another party which, on the date specified in such notice, shall assume part or all of the rights and obligations of
the Administrator under this Agreement in accordance with the Special Fund Resolution and such decision of the Executive Directors, as specified in such notice.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. Either the Minister in charge of Finances, or the Minister in charge of Foreign Affairs, of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministère des Finances
Bamako
République du Mali

Cable address: Telex:

MINIFINANCES 972559
Bamako

For the Administrator:

Administrator of the Special Fund
(International Development Association)
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address: Telex:

INDEVAS 440098 (ITT)
Washington, D.C. 248423 (RCA) or 64145 (WUI)
IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF MALI

By /s/ Lassana Keita

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION as ADMINISTRATOR of the SPECIAL FUND established with funds contributed by certain members of the International Development Association

By /s/ F. David Knox

Authorized Representative
SCHEDULE 1
Withdrawal of the Proceeds
of the Special Fund Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Special Fund Credit, the allocation of the amounts of the Special Fund Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Special Fund Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works (excluding items under Part B.3 of the Project)</td>
<td>1,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Furniture (excluding items under Part B.3 of the Project)</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Audio-visual and office equipment and vehicles (excluding items under Part B.3 of the Project)</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Agriculture and laboratory equipment, consumables, materials and other equipment (excluding items under Part B.3 of the Project)</td>
<td>930,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Special Fund Credit Allocated (Expressed in SDR Equivalent)</td>
<td>% of Expenditures to be Financed</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>(5) Consultants' and experts' services</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Training and fellowships</td>
<td>1,060,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Operating and monitoring costs (excluding expenditures for the salaries of civil servants) under Part D of the Project</td>
<td>770,000</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Incremental Operating Costs under Parts A, B and C of the Project</td>
<td>0</td>
<td>95%</td>
</tr>
<tr>
<td>(9) Initial Deposit in Special Account</td>
<td>120,000</td>
<td>100%</td>
</tr>
<tr>
<td>(10) Unallocated</td>
<td>530,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,660,000</td>
<td></td>
</tr>
</tbody>
</table>
2. The disbursement percentages have been calculated in compliance with the policy of the Administrator that the proceeds of the Special Fund Credit shall not be disbursed on account of payments for taxes levied by, or in the territory of, the Borrower on goods or services, or on the importation, manufacture, procurement or supply thereof; on this basis, if the amount of any such taxes levied on or in respect of items in any Category decreases or increases, the Administrator may, by notice to the Borrower, increase or decrease the disbursement percentage then applicable to such Category as required to be consistent with the aforementioned policy of the Administrator.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of expenditures made prior to the date of this Agreement.

4. Notwithstanding the allocation of an amount of the Special Fund Credit or the disbursement percentages set forth in the table in paragraph 1 above, if the Administrator has reasonably estimated that the amount of the Special Fund Credit then allocated to any Category will be insufficient to finance the agreed percentage of all expenditures in that Category, the Administrator may, by notice to the Borrower: (i) reallocate to such Category, to the extent required to meet the estimated shortfall, proceeds of the Special Fund Credit which are then allocated to another Category and which in the opinion of the Administrator are not needed to meet other expenditures; and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

5. If the Administrator shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in this Agreement, no expenditure for such item shall be financed out of the proceeds of the Special Fund Credit, and the Administrator may, without in any way restricting or limiting any other right, power or remedy of the Administrator under the Special Fund Credit Agreement, by notice to the Borrower, cancel such amount of the Special Fund Credit as, in the Administrator's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Special Fund Credit.
SCHEDULE 2

Description of the Project

In order to assist the Borrower in supporting and consolidating the reforms currently under way in the educational sector, the objective of the Project is to assist the Borrower in strengthening the MEN's organizational structure, improving the quality of Basic Education and increasing access to such education for children, women, young farmers and adults, and to improve the skills of agricultural extension workers and livestock technicians.

The Project consists of the following Parts:

Part A: Institutional Development

1. Reorganization, expansion and operation of DNPES through the construction of office facilities, acquisition thereof and utilization thereof of office equipment and furniture, and the provision of operating funds, technical assistance and fellowships thereto.

2. Strengthening of the Borrower's capacity in technical education and vocational training through the establishment and the operation of a Division for Technical Education and Vocational Training within MEN, construction of office facilities, acquisition of office furniture and equipment and utilization thereof, and the provision of operating funds thereto.

Part B: Development of Basic Education

1. Revision, testing and evaluation of curricula and syllabi for the first cycle of the Basic Education and completion of testing of curricula for the second cycle of the Basic Education developed under the Second Education Project (Credit No. 733 MLI) through the acquisition and utilization of furniture and equipment required for the functioning of a team of education specialists in Segou, furniture, equipment and materials for about 40 experimental schools and the provision of operating costs thereto, training of about 240 teachers who shall be in charge of the application of the revised curricula and syllabi, and the provision of technical assistance.

2. Revising the existing teacher training curricula through the provision of technical assistance and fellowships.
3. Construction, furnishing and equipping of two IPEGs in Kangaba and Niono and the provision of operating funds thereto.

4. Strengthening of DNAFLA's capacity to train new instructors and produce new instructional materials and radio programs, and evaluate new programs through training seminars, production and distribution of functional literacy materials, and the provision of operating funds thereto.

Part C: Livestock and Agricultural Technician Training

1. Strengthening of training of agricultural extension agents through technical assistance and fellowships, as well as the upgrading and refurbishing of the CAA at M'Pessoba, including the creation within such CAA of a Specialized Agricultural Training Facility which will train, per year, approximately 40 extension agents specialized in cotton production.

2. Strengthening of EIV's training program for livestock technicians through fellowships, technical assistance and equipment, and the provision of operating funds thereto.

Part D: Project Management and Monitoring

1. Strengthening of the Project Unit through the provision of staff, equipment and operating funds thereto.

2. Monitoring of the Project through the provision of funds therefor.


* * *

The Project is expected to be completed by December 31, 1988.
SCHEDULE 3

Procurement

A. International Competitive Bidding

1. Subject to the eligibility restrictions set forth in Section 2.02 (b) of this Agreement and except as provided in Part C hereof, goods and civil works shall be procured under contracts awarded in accordance with procedures consistent with those set forth in the "Guidelines for Procurement under World Bank Loans and IDA Credits" published by the Bank in March 1977 (July 1980 edition) (hereinafter called the Guidelines), on the basis of international competitive bidding as described in Part A of the Guidelines. The above-mentioned eligibility restrictions shall be stated in the tender or prequalification documents for the procurement of such goods and civil works.

2. For goods and works to be procured on the basis of international competitive bidding, in addition to the requirements of paragraph 1.2 of the Guidelines, the Borrower shall prepare and forward to the Administrator as soon as possible, and in any event not later than 60 days prior to the date of availability to the public of the first tender or prequalification documents relating thereto, as the case may be, a general procurement notice, in such form and detail and containing such information as the Administrator shall reasonably request; the Administrator will arrange for the publication of such notice in order to provide timely notification to prospective bidders of the opportunity to bid for the goods and works in question. The Borrower shall provide the necessary information to update such notice annually so long as any goods or works remain to be procured on the basis of international competitive bidding.

3. To the extent practicable, contracts for goods shall be grouped in lots of at least fifty thousand dollars ($50,000) equivalent each.

4. For the purpose of evaluation and comparison of bids for the supply of goods to be procured on the basis of international competitive bidding: (i) bidders shall be required to state in their bid the c.i.f. (port of entry) price for the imported goods, or the ex-factory price or off-the-shelf price of other goods, offered in such bid; (ii) customs duties and other import taxes levied in connection with the importation, or the sales and
similar taxes levied in connection with the sale or delivery, pursuant to the bid, of the goods shall not be taken into account in the evaluation of the bids; and (iii) the cost of inland freight and other expenditures incidental to the delivery of the goods to the place of their use or installation shall be included.

B. Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedure described in Part A of this Schedule, goods manufactured in Mali may be granted a margin of preference in accordance with, and subject to, the following provisions:

1. All bidding documents for the procurement of goods shall clearly indicate any preference which will be granted, the information required to establish the eligibility of a bid for such preference and the following methods and stages that will be followed in the evaluation and comparison of bids.

2. After evaluation, responsive bids will be classified in one of the following three groups:

   (1) **Group A**: bids offering goods manufactured in Mali if the bidder shall have established to the satisfaction of the Borrower and the Administrator that the manufacturing cost of such goods includes a value added in Mali equal to at least 20% of the ex-factory bid price of such goods.

   (2) **Group B**: all other domestic bids.

   (3) **Group C**: bids offering any other goods.

3. In order to determine the lowest evaluated bid of each group, all evaluated bids in each group shall first be compared among themselves, without taking into account customs duties and other import taxes levied in connection with the importation, and sales and similar taxes levied in connection with the sale or delivery, pursuant to the bids, of the goods. Such lowest evaluated bids shall then be compared with each other, and if, as a result of this comparison, a bid from group A or group B is the lowest, it shall be selected for the award.

4. If, as a result of the comparison under paragraph 3
above, the lowest bid is a bid from group C, all group C bids shall be further compared with the lowest evaluated bid from group A after adding to the evaluated bid price of the imported goods offered in each group C bid, for the purpose of this further comparison only, an amount equal to: (i) the amount of customs duties and other import taxes which a non-exempt importer would have to pay for the importation of the goods offered in such group C bid; or (ii) 15% of the c.i.f. bid price of such goods if said customs duties and taxes exceed 15% of such price. If the group A bid in such further comparison is the lowest, it shall be selected for the award; if not, the bid from group C which as a result of the comparison under paragraph 3 is the lowest evaluated bid, shall be selected.

C. Other Procurement Procedures

1. Contracts for civil works under Parts A.1, A.2 and C.1 of the Project may be awarded on the basis of competitive bidding advertised locally and in accordance with local procedures satisfactory to the Administrator.

2. Contracts for goods estimated to cost less than fifty thousand dollars ($50,000) equivalent, but in the aggregate not to exceed two hundred thousand dollars ($200,000) equivalent may be procured through negotiated purchases from established and reliable suppliers, provided, however, that quotations from at least three of such suppliers are obtained.

D. Review of Procurement Decisions by the Administrator

1. Review of invitations to bid and of proposed awards and final contracts:

With respect to all contracts for civil works estimated to cost the equivalent of one hundred thousand dollars ($100,000) or more and to contracts for goods estimated to cost the equivalent of fifty thousand dollars ($50,000) or more:

(a) Before bids are invited, the Borrower shall furnish to the Administrator, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedures as the Administrator shall reasonably request. Any further modification to the bidding
documents shall require the Administrator's concurrence before it is issued to the prospective bidders.

(b) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Administrator of the name of the bidder to which it intends to award the contract and shall furnish to the Administrator, in sufficient time for its review, a detailed report on the evaluation and comparison of the bids received, and such other information as the Administrator shall reasonably request. The Administrator shall, if it determines that the intended award would be inconsistent with the Guidelines or this Schedule; promptly inform the Borrower and state the reasons for such determination.

(c) The terms and conditions of the contract shall not, without the Administrator's concurrence, materially differ from those on which bids were asked or prequalification invited.

(d) Two conformed copies of the contract shall be furnished to the Administrator promptly after its execution and prior to the submission to the Administrator of the first application for withdrawal of funds from the Special Fund Credit Account in respect of such contract.

2. With respect to each contract not governed by the preceding paragraph (except for contracts on account of which withdrawals are allowed from the Special Fund Credit Account on the basis of statements of expenditures), the Borrower shall furnish to the Administrator, promptly after its execution and prior to the submission to the Administrator of the first application for withdrawal of funds from the Special Fund Credit Account in respect of such contract, two conformed copies of such contract, together with the analysis of the respective bids, recommendations for award and such other information as the Administrator shall reasonably request. The Administrator shall, if it determines that the award of the contract was not consistent with the Guidelines or this Schedule, promptly inform the Borrower and state the reasons for such determination.

3. Before agreeing to any material modification or waiver of the terms and conditions of a contract, or granting an extension of the stipulated time for performance of such contract, or issuing any change order under such contract (except in cases of extreme urgency) which would increase the cost of the contract by
more than 10% of the original price, the Borrower shall inform the Administrator of the proposed modification, waiver, extension or change order and the reasons therefor. The Administrator, if it determines that the proposal would be inconsistent with the provisions of this Agreement, shall promptly inform the Borrower and state the reasons for its determination.
SCHEDULE 4

Special Account

1. For the purposes of this Schedule:

   (a) the term "Category" means a category of items to be financed out of the proceeds of the Credit as set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

   (b) the term "Eligible Expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Special Fund Credit allocated from time to time to Categories (1) through (8) in accordance with the provisions of Schedule 1 to this Agreement; and

   (c) the term "Initial Deposit" means an amount in MF equivalent to the amount allocated to Category (9) and to be withdrawn from the Special Fund Credit Account and deposited in the Special Account pursuant to paragraph 3 of this Schedule.

2. Payments out of the Special Account shall be made exclusively for Eligible Expenditures in accordance with the provisions of this Schedule.

3. The Administrator shall, at the request of the Borrower, withdraw on behalf of the Borrower from the Special Fund Credit Account and deposit into the Special Account the Initial Deposit. Thereafter and on the basis of requests by the Borrower furnished to the Administrator at such intervals as the Administrator shall specify, the Association shall further so withdraw from the Special Fund Credit Account and deposit into the Special Account such amounts as shall be required to replenish the Special Account with amounts equal to payments made out of the Special Account for Eligible Expenditures, but only to the extent that the amount of any such deposit, together with any amount remaining on deposit in the Special Account as of the date of such request, shall not exceed in the aggregate the equivalent of the Initial Deposit. Except as the Administrator may otherwise agree, each such deposit after the Initial Deposit shall be withdrawn by the Administrator from the Credit Account under the respective Categories (1) through (8), and in the respective equivalent amounts, as shall have been justified by the evidence supporting the request for such deposit furnished pursuant to paragraph 4 of this Schedule.
4. Prior to or at the time of each request by the Borrower for a deposit by the Administrator into the Special Account after the Initial Deposit, the Borrower shall furnish to the Administrator in respect of each payment made by the Borrower out of the Special Account such documents and other evidence as the Administrator shall reasonably request, showing that such payment was made for Eligible Expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, any request of a further deposit into the Special Account may be derived by the Administrator (a) when the Administrator shall have determined at any time that all further withdrawals can be made directly by the Borrower from the Special Fund Credit Account in accordance with the provisions of paragraph (a) of Section 2.02 of this Agreement, or (b) unless otherwise agreed by the Administrator, when the total unwithdrawn amount of the Credit allocated to Categories (1) through (8), minus the amount of any outstanding qualified agreement to reimburse entered into by the Administrator and of any outstanding special commitment made by the Administrator pursuant to Section 5.02 of the General Conditions with respect to the Project, shall be equal to the equivalent of twice the amount of the Initial Deposit, whichever shall be sooner. Withdrawal from the Special Fund Credit Account of the remaining unwithdrawn amount of the Special Fund Credit allocated to Categories (1) through (8) shall follow such procedures as the Administrator shall specify by notice to the Borrower and shall, except as the Administrator shall otherwise agree, be made only after and to the extent the Administrator shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice have been or will be utilized in making payments for Eligible Expenditures.

6. If the Administrator shall have determined at any time that:

   (a) any payment out of the Special Account: (i) was made for any expenditure or in any amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished pursuant to paragraph 4 of this Schedule, the Borrower shall, promptly upon notice from the Administrator and, unless otherwise agreed by the Administrator, prior to any further deposit into the Special Account by the Administrator, deposit into the Special Account or, if the Administrator shall so request, refund to the Administrator an amount equal to the amount of such payment or the portion thereof not so eligible or justified; or
(b) any amount outstanding in the Special Account will not be required to cover further payments for Eligible Expenditures, the Borrower shall, promptly upon notice from the Administrator, and unless otherwise agreed by the Administrator, refund to the Administrator such amount then outstanding in the Special Account.
INTERNATIONAL DEVELOPMENT ASSOCIATION

CERTIFICATE

I hereby certify that the foregoing is a true copy of the original in the archives of the International Development Association.

In witness whereof I have signed this Certificate and affixed the Seal of the Association thereunto the 15th day of March, 1984.

FOR SECRETARY