European Union Food Crisis
Rapid Response Facility Trust Fund
Grant Agreement

(Fostering Agricultural Productivity Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

in its capacity as administrator of the European Union Food Crisis
Rapid Response Facility Trust Fund

Dated June 19, 2010
Preamble

WHEREAS:

(A) the Recipient has recognized the necessity of undertaking rapid response activities aimed at alleviating the negative impact of high food prices, especially on the lives of the poor, in the territory of the Recipient;

(B) the IBRD and IDA, with support from the European Commission (the “Donor”), have established the European Union Food Crisis Rapid Response Facility Trust Fund (TF No. 071341) (the “EU FCRR TF”) to assist low income member countries of the World Bank (in its own capacity) in the carrying out of activities aimed at reducing the negative impact of high food prices on the lives of the poor in a timely manner;

(C) the Recipient has requested the World Bank to assist in the financing of part of the Project set forth in Schedule 1 of this Agreement (the “Project”) through resources available under the EU FCRR TF; and

(D) the World Bank has agreed, on the basis, inter alia, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this Agreement.

The Recipient and the World Bank hereby agree as follows:

Article I

Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), 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 Standard Conditions or the Financing Agreement (“Financing Agreement”) of same date herewith between the Recipient and the International Development Association (the Association).

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the ON to carry out Parts B.2 (a) and B.2 (d) of the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that Parts B.2 (a) and B.2 (d) of the Project are carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to up to fourteen million six hundred and forty thousand Euro (€14,640,000) (“Grant”) to assist in financing of Parts B.2 (a) and B.2 (d) of the Project.

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

3.03. The Grant is funded out of the EU FCRR TF for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.
Article IV
Recipient's Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s minister responsible for finance.

4.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
BP 234
Quartier du Fleuve
Bamako, Mali

Facsimile:
223-20-221914 / 20-231654

4.03. 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

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Bamako, Republic of Mali, as of the day and year first above written.

REPUBLIC OF MALI

By /s/ Sanoussi Touré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
in its capacity as administrator of the European Union Food Crisis Rapid Response Facility Trust fund

By /s/ Ousmane Diagana

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase the productivity of smallholder agricultural and agribusinesses producers in the Targeted Production Systems in Selected Areas of the Recipient’s territory.

The Project consists of the following parts:

Part A: Technology transfer and service provision to agricultural producers

1. Provision of technical assistance and equipment to Producers’ Organizations of Targeted Production Systems to help them: (a) address key agricultural productivity constraints related to farm and agricultural technique modernization, to livestock production system modernization and to intensification and diversification techniques; (b) develop small scale irrigation intensification techniques, post-harvest operation techniques and demand-driven and on-farm research; and (c) promote sustainable land and water management techniques.

2. (a) Provision of support to refurbish, equip and improve management and functioning of APCAM, CRAs and Producers’ Organizations; and (b) carrying out of capacity building activities for APCAM, CRAs and Producers’ Organizations.

3. Provision of support to facilitate rural credit development, through the development of financial management and accounting services for small investors in the agribusiness sector.

4. Provision of support to the National Council for Agricultural Research to facilitate technology generation and to the Regional Committee for Research and Extension to strengthen the linkages between agricultural research, extension services and production systems.

Part B: Irrigation Infrastructure

1. Provision of support for: (a) feasibility and environment studies for small-scale irrigation investments; and (b) the construction of additional small-scale gravity-fed village irrigation schemes and small-scale lowland irrigation schemes.

2. Provision of support for: (a) the development of approximately 1,200 ha of new irrigable land in the Sabalibougou 1 Area and the implementation of the related resettlement action plan; (b) the development of approximately 1,000 ha of new irrigable land in the Sabalibougou 2
Area; (c) the development of approximately 500 ha of new irrigation schemes in the M’Béwani Area; and (d) the extension of the Kalankorola and Tango drainage systems in the M’Bewani Area.

3. Provision of support to the ON to: (a) improve its modernization, governance structure, and water management and land tenure policy and practices; (b) design and implement a voluntary land consolidation process; (c) improve the efficiency of water management in the areas under the authority of the ON; and (d) provide capacity building and equipment for environment and social safeguards monitoring and for the evaluation of the implementation of mitigation measures for the irrigation schemes developed by the Project.

4. Provision of equipment to replace auscultation instruments and technical assistance to update manuals and emergency preparedness plans for the Markala and Selingue dams.

Part C: Programmatic approach, Sectoral Monitoring and Project coordination

1. Provision of technical assistance to enhance coordination among the various stakeholders in the agricultural sector to support: (a) the elaboration of an agricultural investment program; (b) the elaboration and implementation of the agricultural policy; and (c) the promotion of sustainable land management in agricultural investments.

2. Provision of technical assistance and support for: (a) the assessment and monitoring of agricultural sector performances; and (b) the monitoring of the evolution of natural resources and the impact of agricultural investments on the environment.

3. Provision of support to public services to: (a) establish the National Agricultural Advisory Service Council to provide quality control on agricultural and veterinary inputs, advisory services, phyto- and zoosanitary surveillance and control, oversee environment and social safeguards, and disseminate information and raise awareness on national legal texts and guides on agriculture, natural resources, water management, forestry and pastoral activities; (b) develop the national strategy for small scale irrigation development; and (c) disseminate information and develop training on sustainable land and water management.

4. Provision of technical assistance and support for the carrying out of the Project, including monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. General

1. Sections I.A, I.B.2, I.C, I.D, I.F and I.G of Schedule 2 to the Financing Agreement are hereby incorporated by reference and apply, to the extent relevant or appropriate, to the Project, and the Recipient undertakes to comply with the provisions thereof, with modifications as shown below to the following terms, wherever they appear in said Sections, unless the context otherwise requires:

(a) the term “Association” shall be read as World Bank;

(b) the term “Financing” shall be read as the Grant;

(c) the term “Recipient” shall be read as the Recipient of the Grant.

2. So long as any part of the Credit provided for under the Financing Agreement shall remain outstanding, and unless the Recipient has been notified otherwise by the World Bank:

(a) all actions taken, including approvals given, by the Association pursuant to Sections I.A, I.B.2, I.C, I.D, I.F and I.G of Schedule 2 to the Financing Agreement shall be deemed to be taken or given in the name and on behalf of both the Association and the World Bank; and

(b) any information or documentation furnished by the Recipient to the Association pursuant to the provisions of any of such Sections of the Financing Agreement shall be deemed to be furnished to both the Association and World Bank.

Section II. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall ensure that the institutional arrangements required for Parts B.2 (a) and B.2 (d) of the Project are carried out in accordance with the provisions of Section I.A of Schedule 2 to the Financing Agreement.

B. Subsidiary Agreements

The Recipient shall ensure that B.2 (a) and B.2 (d) of the Project are implemented in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement.
C. **Anti-Corruption**

The Recipient shall ensure that B.2 (a) and B.2 (d) of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. **Annual Work Plans**

The Recipient shall ensure that Parts B.2 (a) and B.2 (d) of the Project are implemented in accordance with the provisions of Section I.D of Schedule 2 to the Financing Agreement.

E. **Manual**

The Recipient shall ensure that Parts B.2 (a) and B.2 (d) of the Project are implemented in accordance with the provisions of Section I.F of Schedule 2 to the Financing Agreement.

F. **Safeguards**

The Recipient shall ensure that Parts B.2 (a) and B.2 (d) of the Project are implemented in accordance with the provisions of Section I.G of Schedule 2 to the Financing Agreement and in particular the Environmental and the Social Management Framework, the Pesticides Management Plan and the Resettlement Policy Framework.

G. **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 Donor’s 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 Donor to visit any part of the Recipient’s territory for purposes related to the Project.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of Parts B.2 (a) and B.2 (d) 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 agreed with the World Bank and set forth in the PIM. Each Project Report shall cover the period of one (1) calendar semester, 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.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. TheCompletion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. 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.

3. The Recipient shall have its Financial Statements for Parts B.2 (a) and B.2 (d) of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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.

Section III. Procurement

All goods and services required for Parts B.2 (a) and B.2 (d) of the Project and to be financed out of the proceeds of this Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of 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. It being understood that: (i) the Project is exempt from Taxes levied by, or in the territory of, the Recipient on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply; and (ii) to the extent such exemption ceases (or is modified in any way whatsoever) so as to result in the imposition of any such Taxes, the World Bank may, by notice to the Recipient, adjust the percentage set forth in the table below of this Section as required to ensure that the proceeds of the Grant are not withdrawn to pay for any Taxes. 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 Euro)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (a) Goods, works consultants’ services, Operating Costs and Training for Parts B.2 (a) and B.2 (d) of the Project</td>
<td>14,640,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>14,640,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed Euro 1,500,000 equivalent may be made for payments made within one year prior to this date but on or after April 30, 2010 for Operating Costs and Consultant Services under the Project.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2011.