Financing Agreement

(Higher Education Support Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 30, 2015
FINANCING AGREEMENT

AGREEMENT dated May 30, 2015, 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 thirteen million five hundred thousand Special Drawing Rights (SDR 13,500,000) ("Grant"); and
(b) an amount equivalent to ten million Special Drawing Rights (SDR 10,000,000) ("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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are January 15 and July 15 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 MoHE, with the support of the Participating HEIs, 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

(a) a Participating Higher Education Institution’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Participating Higher Education Institution to perform any of its obligations under the respective Participating HEI Contract; and

(b) a situation has arisen which shall make it improbable that a Participating HEI will comply with or carry out its obligations under the respective Participating HEI Contract.

4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The selected Participating HEIs Contracts have been executed in form and substance satisfactory to the Association on behalf of the Recipient and the Participating HEIs.
(b) The Project Operational Manual has been adopted in form and substance satisfactory to the Association.

5.02. The Additional Legal Matter consists of the following, namely that the Participating HEIs Contracts have been duly authorized or ratified by the Recipient and the Participating HEIs and are legally binding upon the Recipient and the Participating HEIs in accordance with their terms.

5.03. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient’s Address is:

P.O. Box 234
Hamdallaye ACI 2000
Bamako
Republic of 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: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Bamako, Republic of Mali, as of the day and year first above written.

REPUBLIC OF MALI

By Authorized Representative
Name: Mamadou Idriss Diarra
Title: Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Authorized Representative
Name: Paul Noumba Um
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve the relevance of selected higher education programs and the stewardship of the higher education system in the Recipient’s territory.

The Project consists of the following parts:

Part A. Support to Selected Public Higher Education Institutions

1. Provision of financing for the Eligible Expenditure Programs (EEPs) to the selected public Participating Higher Education Institutions (HEIs) in support of the improvement of the relevance of their programs in agriculture, livestock, mining and technology, in accordance with the provisions set forth in Section IV of Schedule 2 to this Agreement, aiming, *inter alia*, to support the implementation of the five year (2015-2020) institutional development plan and annual work-program of the respective HEIs.

2. Provision of works, non-consultants’ services, goods and consultants’ services for the construction of the department of livestock and veterinary of the University of Segou.

3. Provision of consultants’ services and Training to support the development of the African School of Mining of Bamako through, *inter alia*, carrying out feasibility studies, architectural plans and program curriculum development.

Part B. Higher Education System Support

Support to the MoHE for planning, quality assurance, and regulation and information management through:

1. Provision of goods, works, consultants’ services and Training to DNESRS to upgrade its capacity building to fulfill its functions of monitoring the implementation of the National Policy on Higher Education;

2. Provision of support to the DNESRS through, *inter alia*: (i) provision of goods, consultants’ services and Training of relevant staff from the DNESRS and HEIs to produce information and relevant indicators on, *inter alia*, enrolment, graduates, staff, and facilities; (ii) provision of support to the DNESRS to assist HEIs to develop and monitor their respective five-year strategic plans; and (iii) provision of support for the preparation of the sector medium term development plan, annual reports, and, *inter alia*, tracer studies and employers satisfaction surveys.
3. Provision of support to the Quality Assurance (QA) unit through provision of: (i) consultants' services to: (A) promote and facilitate the implementation of QA unit in HEIs; (B) assist selected academic units to undertake self-assessments; and (C) support the implementation of the LMD system; and (ii) provision of goods for the QA unit.

4. Provision of support for the Information Management System and the Planning and Prospective Unit (PPU) through: (i) design of the SIGES; and (ii) implementation of the SIGES at institutional, central and MoHE level through the provision of goods, consultants' services and Training to MoHE to generate annual statistical information and relevant information for policy decision.

5. Provision of support for the virtual library and upgrading libraries through, *inter alia*: (i) the acquisition of eBooks and needed basic equipment for HEIs; and (ii) the development of three videoconferencing rooms.

6. Provision of support to MoHE to develop tools and know-how for drafting legislation in the area of private higher education institutions.

**Part C. Project Management and Technical Assistance**

Provision of goods, consultants' services, non-consulting services, Training and Operating Costs to support:

1. the management, monitoring and evaluation, and fiduciary implementation of the Project, through the PIU;

2. carrying out studies and other analytical work; and

3. exchange programs with internationally-known institutions of higher learning as well as visiting teaching missions aiming to strengthen the HEIs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Recipient shall maintain the following institutional arrangements, further described in the Project Operational Manual, throughout the implementation of the Project:

1. Project Steering Committee

   (a) The Recipient has established and shall maintain the Steering Committee with composition and terms of reference satisfactory to the Association.

   (b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Steering Committee shall be chaired by the Recipient's minister responsible for higher education and scientific research, or his representative.

   (c) Without limitation to the generality of the foregoing provisions of paragraph (a) above, the Steering Committee shall ensure the overall leadership and oversight of the Project, the approval of annual work plans and budgets, monitoring reports and studies, and recommending strategic direction for the Project and corrective measures as necessary.

2. Project Technical Committee

   (a) The Recipient has established and shall maintain a Project Technical Committee with composition and terms of reference satisfactory to the Association.

   (b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Technical Committee shall be chaired by the director general in charge of higher education of the MoHE and include, *inter alia*, the coordinator, heads of the planning, quality assurance, and private sector units, the project technical coordinators and other members of the PIU, including a representative of the ministry in charge of mining.

   (c) Without limitation to the generality of the foregoing provisions of paragraph (a) above, the Technical Committee shall:
(i) meet bi-monthly; and (ii) review the annual work plan, monitor problems and provide solutions.

3. **Project Implementation Unit**

   (a) The Recipient, through MoHE, shall maintain, throughout the implementation of the Project, a Project Implementation Unit (PIU) with composition and terms of reference acceptable to the Association.

   (b) The PIU shall be headed by a Project coordinator and shall be responsible for the overall coordination, including: (i) monitoring and evaluation; (ii) administrative, financial management, safeguards and procurement oversight; (iii) disbursements reporting of the Project; (iv) consolidation of Annual Work Plans and Budgets; (v) preparation of Project progress reports; and (vi) implementation of a communication program on the Project’s activities.

B. **Implementation Arrangements for Part A.1 of the Project**

   (a) The Recipient, through MoHE, shall coordinate with the Participating HEIs for the following: (i) preparation of terms of reference and technical specifications of studies and purchase of equipment for the Participating HEIs; and (ii) appointment of focal points to ensure cooperation between the PIU and MoHE.

   (b) The Recipient shall maintain, throughout the implementation of the Project, a Direction Nationale de l’Enseignement Supérieur et de la Recherche Scientifique (DNESRS) in charge, inter alia, of: (i) coordinating the reforms on autonomy and governance of higher education institutions; (ii) promoting quality assurance; (iii) ensuring policy and planning activities; (iv) providing sector statistics; (v) providing a leading role in implementing the Project activities related to quality assurance, teacher training policy, and planning; (vi) drafting or reviewing terms of reference for studies; (vii) providing support for the selection of technical assistance; (viii) organizing workshops for HEIs business planning, teacher training, training of boards of directors of the Participating HEIs; and (ix) developing the sector plan.

   (c) The Recipient shall furnish to the Association on or about March 30 of each year, starting on the first such date after the Effective Date, regular reports (the “EEP Spending and Assessment Reports”) prepared in accordance with the provisions of the Project Operational Manual.

C. **Participating HEI Contracts**
1. To facilitate the carrying out of Part A.1 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to the Participating HEIs on a non-reimbursable basis under a contract between the Recipient and a Participating HEI under terms and conditions approved by the Association, as further described in the Project Operational Manual ("Participating HEI Contract"), which shall include, *inter alia*, the following:

(a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Participating HEIs 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 Participating HEI’s failure to perform any of its obligations under the respective Participating HEI Contract; and (ii) require each Participating HEI to: (A) carry out the activities under its respective Participating HEI Contract with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities under the respective Participating HEI Contract and the achievement of its objectives; (C) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the activities of the respective Participating HEI Contract; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (D) enable the Recipient and the Association to inspect the activities under the Participating HEI Contract, and any relevant records and documents; and (E) 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.

(b) The Recipient shall exercise its rights under each Participating HEI Contract in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign,
amend, abrogate or waive any Participating HEI Contract or any of its provisions.

2. The Recipient, through MoHE, shall ensure that the Participating HEIs carry out their respective HEI Contracts in accordance with financial management, procurement and environmental and social management systems acceptable to the Association which are designed to ensure that:

(a) the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and

(b) the actual and potential adverse environmental and social impacts of the Participating HEI’s respective HEI Contract are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

D. Anti-Corruption

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

E. Project Operational Manual

The Recipient, through MoHE, shall carry out and cause the Project to be carried out in accordance with the Project Operational Manual (POM). In the event of any conflict between the provisions of the POM and those of this Agreement, the provisions of this Agreement shall prevail.

F. 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 the 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 the 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. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.

5. Annual Work Plan and Budget may be revised as needed during Project implementation subject to the Association’s prior written approval.

G. Safeguards

1. The Recipient shall take, and cause to be taken, all necessary measures to ensure that the Project shall be implemented in accordance with the ESMF, RPF, ESMPs and RAPs.

2. Except as the Association shall otherwise agree in writing, the Recipient shall ensure, and cause to ensure, that none of the provisions of the ESMF, RPF, ESMPs and RAPs shall be abrogated, amended, repealed, suspended or waived.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall take, and cause to take all measures necessary on its part to regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the ESMF RPF, ESMP and RAPs if any, giving details of:

   (a) measures taken in furtherance of such ESMF, RPF, ESMP and RAPs;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, RPF, ESMP and RAPs; and

   (c) remedial measures taken or required to be taken to address such conditions.

4. If any activity under the Project requires the adoption of an ESMP and/or a RAP, the Recipient shall:

   (a) prepare such ESMP and/or RAP in accordance with the ESMF and/or RPF, as the case may be, furnish such ESMP and/or RAP to the Association for review and approval and, following approval by the
Association, adopt such ESMP and/or RAP prior to commencing the carrying out of the activity in question; and

(b) maintain, and cause to be maintained, policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the ESMF, RPF, ESMPs and RAPs, if any, and the achievement of their respective objectives.

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 the indicators set forth in the POM 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 one month 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. 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: (a) customize the accounting software to the Project’s features not later than two (2) months after Effective Date; (b) appoint an internal auditor not later than four (4) months after the Effective Date, whose qualifications and experience and terms of reference shall be acceptable to the Association; and (c) recruit an external auditor whose qualifications, experience and terms of reference shall be acceptable to the Association, not later than five (5) months after the Effective Date.
C. External Controls for Part A.1 of the Project

1. Independent Verification

   (a) The Recipient shall, not later than four (4) months after the Effective Date, appoint external monitoring and evaluation experts ("Independent Verifiers"), to act as third-party verifiers of the proper fulfillment of the DLIs set forth in Schedule 4 to this Agreement.

   (b) The Recipient shall cause the Independent Verifiers to carry out, prior to each Withdrawal, an assessment of the level of fulfillment of DLIs set forth in Schedule 4 to this Agreement, and provide to the Recipient and the Association, an Independent Verification Report containing, \textit{inter alia}, said assessment on the fulfillment of the pertinent DLIs and a proposal for disbursement under each Withdrawal.

2. Independent Verification Reports

   The Recipient shall cause the Independent Verifiers to furnish to the Association every calendar semester starting six months after the Effective Date, regular reports ("Independent Verification Reports") prepared in accordance with the provisions of the Project Operational Manual.

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 (NCB), subject to the additional provisions provided in section 3 below; (c) Shopping; and (d) 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 Association’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/ the 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 paragraph 1.16 (a) of the Procurement Guidelines;

(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; and

(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; and (f) 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) Eligible Expenditure Programs under Part A.1 of the Project for Participating HEIs</td>
<td>0</td>
<td>11,400,000</td>
<td>100% of amounts spent and reported under the EEP Spending and Assessment Reports for each Withdrawal</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Parts A.2, A.3, B and C of the Project</td>
<td>10,000,000</td>
<td>2,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>10,000,000</td>
<td>13,500,000</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:

   (a) for payments made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed: (i) SDR 1,400,000 may be made for payments made prior to this date but on or after January 31, 2015, for Eligible Expenditures under Category (1); and (ii) SDR 200,000 may be made for payments made prior to this date but on or after January 31, 2015, for Eligible Expenditures under Category (2); and

   (b) no withdrawal shall be made for payments made under Category (1) unless:

      (i) The relevant EEP Spending and Assessment Report has been submitted to, and found satisfactory by, the Association in accordance with the Independent Verification Reports; and
(ii) any applicable Disbursement-Linked Indicators and Disbursement-Linked Results as set forth in the table in Schedule 4 to this Agreement have been met by the Recipient, satisfactory to the Association and in accordance with the respective applicable Participating HEI Contract.

2. Notwithstanding the provisions of Part A of this Section and without limitation to the provision set forth in paragraph 1 above, withdrawals under Category (1) above may be made by the Recipient as follows:

(a) Withdrawals shall be made in amounts not exceeding the total of the ceilings per each respective DLI as provided in Schedule 4 to this Agreement, subject to submission to the Association of evidences satisfactory to the Association and as defined in the POM that the DLIs have been achieved.

(b) If, at any time, the Association determines that any portion of the amounts disbursed by the Recipient under Category (1) was made: (i) for expenditures which are not eligible under the EEPs; or (ii) not in compliance with the provisions of Section IV.B.2 (a), the Recipient shall promptly refund any such amount to the Association as the Association shall specify by notice to the Recipient.

(c) If, at any time, the Association is not satisfied that any of the DLR(s) has/have been achieved by end of each Fiscal Year or of the date by which the said DLR(s) is/are set to be achieved and/or the Allocated Amount(s) of such DLR(s) has/have not been fully withdrawn as such said date has been established in the POM and referred to in the Participating HEIs Contracts, the Association may, at any time, by notice to the Recipient, decide, in its sole discretion, to:

(i) authorize the withdrawal of such lesser amount of respective Allocated Amount(s) allocated to any of DLR(s) which in the opinion of the Association, corresponds to the extent of achievement of said DLR(s);

(ii) withhold all or a portion of the proceeds of the Financing then allocated to said DLR(s) until such DLR(s) is/ are satisfactorily met;

(iii) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR(s) to any other DLR(s) within the same DLI; and/or
(iv) cancel all or a portion of the proceeds of the Financing then allocated to said DLR(s).

3. The Closing Date is December 31, 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 January 15 and July 15, commencing July 15, 2021 to and including January 15, 2053</td>
<td>1.5625%</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.
## SCHEDULE 4

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator</th>
<th>Total Financing Allocated to DLI</th>
<th>Disbursement Linked Results (DLRs)/action to be completed for Year 0</th>
<th>Disbursement Linked Results (DLRs)/action to be completed for Year 1 to Year 4</th>
<th>Financing Allocated to DLR per year (SDR or equivalent US$)</th>
<th>Method of definition of the amount to be paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI#1 Improved Institutional Governance.</td>
<td>TOTAL AMOUNT for DLI#1: SDR 4.1 million of which SDR 1.4 million for Year 0 and SDR 2.7 million</td>
<td>DLR#01: Board of Trustees (or University Council) of HEIs in place. (1st Board of Trustees meeting that deliberates on the IDP, the MP, the new academic programs, the budget, and other aspects of the management of the HEI)</td>
<td>DLR#1: Functional Board of Trustees (or University Council) of HEIs in place. Two meetings of the Board of Trustees conducted that deliberates on the IDP, the MP, the new academic programs, the budget, and other aspects of the management of the HEI</td>
<td>SDR 212,500 per Year from Y1 to Y4</td>
<td>Yes/No: Two Board meeting per year for each HEI; proof of deliberation of the Board on: (i) the AWP and budget, including the contract to be signed with the MoHE and MoEF; (ii) the HEI annual audit; and (iii) new programs to be licensed.</td>
</tr>
<tr>
<td>DLR#02: Adoption of HEI management tools and procedures</td>
<td></td>
<td></td>
<td></td>
<td>SDR 250,000 per Year from Y1 to Y4</td>
<td>Yes/No: Yearly publication of: (i) Statistics; and (ii) Audit report.</td>
</tr>
</tbody>
</table>

For an amount of SDR 350,000 to be paid per HEI as a lump sum.

For an amount of SDR 212,500 to be paid per HEI as a lump sum.
<table>
<thead>
<tr>
<th><strong>DLR#03</strong>: Approval of HEIs IDPs and yearly operational budget with indicators. The five-year PS finalized remedial measures proposed and validated and implementation report of the previous recommendations. (including progressive targets over the five years with follow-up mechanisms and identified leaders, a budget and clear indicators from which will be extracted the DLIs over the duration of the project); first year objectives, activities and indicators defined. All documents duly approved by the Board of Trustees.</th>
<th><strong>DLR#03</strong>: Approval of HEIs IDPs and yearly operational budget with indicators and signed contracts with the MoHE and MoEF.</th>
<th><strong>SDR 212,500 per Year from Y1 to Y4</strong></th>
<th>Yes/No: Yearly signatory of the HEI contract with the MoHE and MoEF, including performance assessment.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DLI2# Improved Relevance of Selected Programs.</strong></td>
<td><strong>TOTAL AMOUNT</strong> for DLI2: SDR 7.3 million</td>
<td><strong>DLR#04</strong>: a Functional <em>Conseil de Perfectionnement</em> in place to define programs to be licensed.</td>
<td><strong>DLR#4</strong>: Number of training programs licensed as per agreed guidelines (target indicated in the Results Framework)</td>
</tr>
<tr>
<td>DLR#5: SDR 462,500 per A= ( \text{Number of NE; } X = $ (000); ) NE ( (B) ) is less than ( A ), the amount payable will be: ( Y = \frac{(BX)}{A} )</td>
<td>Number of new students (NE) enrolled in licensed programs developed with the private sector and approved by the Board of Trustees. (target indicated in the Results Framework)</td>
<td>( A = \text{number of } NE; ) ( X = $ (000); ) If ( NE \ (B) ) is less than ( A ), the amount payable will be: ( Y = \frac{(BX)}{A} ) Minimum amount of target achieved for disbursement is 50%</td>
<td></td>
</tr>
<tr>
<td>---</td>
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<td></td>
</tr>
<tr>
<td>DLR#6: SDR 437,500 per A= ( \text{Number of teachers trained (NEF) in the licensed courses approved by the Board of Trustees. (target indicated in the Results Framework) } )</td>
<td>Number of Year from Y1 to X= ( $ (000); ) If NEF ( (B) ) is less than ( A ), the amount payable will be: ( Y = \frac{(BX)}{A} ) Minimum amount of target achieved for disbursement is 50%</td>
<td>( A = \text{number of NEF; } X = $ (000); ) If ( NEF \ (B) ) is less than ( A ), the amount payable will be: ( Y = \frac{(BX)}{A} ) Minimum amount of target achieved for disbursement is 50%</td>
<td></td>
</tr>
<tr>
<td>DLR#7: SDR462,500 per A= ( \text{Percentage Increase in Financial Resources Generated Internally (RFG). (target indicated in the Results Framework) } )</td>
<td>Year from Y1 to Y4</td>
<td>( A = \text{percent RFG } X=$ (000) ; ) If RFG ( (B) ) is less than ( A ), the amount to be paid will be : ( Y = \frac{(B.X)}{A} ) Minimum amount of target achieved for disbursement is 50%</td>
<td></td>
</tr>
<tr>
<td>Total Financing</td>
<td>SDR 11.4 million of which SDR 1.4 million for Year 0 and SDR 10 million for Year 1-4</td>
<td>Lump sum of SDR1.4 million for the four HEIs for Year 0, with SDR 350,000 per HEIs</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “African School of Mining of Bamako” means the Recipient’s higher education institution established pursuant to the Récépissé d’enregistrement n° 0630/G-DB dated June 4, 2014.

2. “Allocated Amounts” means the amount in Special Drawing Rights allocated to each individual DLR or determined for each DLR pursuant to the formula detailed in Schedule 4 to this Agreement - as such amount may be increased, reallocated and or cancelled (whether partially or in its entirety) by the Association, as the case may be, in accordance with the provisions of Section IV.B.2 of Schedule 2 to this Agreement.

3. “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.F of Schedule 2 to this Agreement.


5. “Board of Trustees” means the Participating HEI’s governing body that approves the Participating HEI budget and relevant documents.

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

7. “Conseil de Perfectionnement” means the consultation body established within each Participating HEI composed of representatives of professional organisms and services with a high reputation in the area of higher education and research, representatives of public and private companies that hire graduates of the respective higher education institution and experts from the diaspora.


9. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the
involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

10. "DNESRS" means the Directorate General of Higher Education and Scientific Research to be established within the Recipient’s MoHE pursuant to Section I.B. (b) of Schedule 2 to this Agreement, or any successor thereto.

11. "Disbursement-linked Indicators" or "DLIs" means the set of disbursement-linked indicators as specified in the Table in Schedule 4 to this Agreement, and further described in the POM.

12. "Disbursement-linked Result" or "DLR" means a target result in implementing a Disbursement-Linked Indicator for a given year of Part A.1 of the Project implementation, specified in the Table in Schedule 4 to this Agreement.

13. "EEP" or "Eligible Expenditure Programs" means a portion of the Financing’s proceeds for financing the payments of expenditures for salaries and additional teaching hours made by the Participating HEIs under Part A.1 of the Project.

14. "EEP Spending and Assessment Reports" means any report prepared by the Recipient in accordance with the POM and referred to in Section I.B.(c) of Schedule 2 to this Agreement on the spending status of the Eligible Expenditure Programs under Part A.1 of the Project and the level of achievement of the DLIs.

15. "ESMF" or "Environmental and Social Management Framework" means the Recipient’s document to be adopted and disclosed by the Recipient, as the same may be amended from time to time subject to prior written consent from the Association, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening, as such Environmental and Social Management Framework may be amended from time to time with the prior written consent of the Association.

16. "Environmental and Social Management Plan" or "ESMP" mean the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework, that details: (i) the measures to be taken during the implementation of the Project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.

17. "Fiscal Year" means the calendar year.

19. “Independent Verifiers” means the independent verifiers referred to in Section II.C.1 of Schedule 2 to this Agreement recruited by the Project Implementation Unit in order to prepare the Independent Verification Reports.

20. “Independent Verification Reports” means the report prepared by the Independent Verifiers in accordance with the details provided in the Project Operational Manual and referred to in Section II.C.2 of Schedule 2 to this Agreement, to make disbursement recommendation for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Part A.1 of the Project and the compliance with the DLIs.

21. “Information Management System” means the core regulations, procedures and systems established at the level of HEI and MoHE providing for the collection, treatment and dissemination of statistics in the sector.

22. “Licensed Program” means a program approved by the QA unit of the MoHE following a request of habilitation by the Participating HEI, after being approved by the Board of Trustees based on the Conseil de Perfectionnement recommendation which comprises members of the private sector specialized in the area of the respective program.

23. “LMD” means license, master, doctorat.

24. “MoEF” means the Recipient’s Ministry of Economy and Finances, or any successor thereto.


26. “National Policy on Higher Education” means the Recipient’s strategy on higher education adopted on December 17, 2009 by the Recipient’s Council of Ministers.

27. “Quality Assurance unit” or “QA unit” means the semi-autonomous unit in charge of programs accreditation to be established within DGESRS (hereinafter defined) referred to in Part B (3) in Schedule 1 to this Agreement, or any successor thereto.

28. “Operating Costs” means the incremental expenses incurred by the MoHE, PCU and HEIs, based on the Annual Work Plan and Budget 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, indemnity bonuses for the PIU staff, but excluding salaries of members of the Recipient’s civil servants.
29. "Participating Higher Education Institutions" or "Participating HEIs" means collectively the Institute Polytechnic of Katibougou; the University of Segou; the University of Science and Technology; the National School of Engineering, all located in the Recipient's territory which are among the selected universities in the region based on the availability of programs in targeted economic sectors and on their willingness to reform, or any other higher education institution as may be selected by the Recipient, in consultation with and with the prior approval of the Association, on the basis of eligibility and performance criteria described in the POM, including the level of preparation to meet the current at that time DLI and DLR; and "Participating Higher Education Institution" or "Participating HEI" means any of these universities, or any successor thereto.

30. "Participating HEI Contract" means the agreement to be signed between the Recipient, through the MoHE, and the Participating HEI referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Participating HEI for the implementation of the Project.

31. "Participating Higher Education Institutions' Legislation" means collectively the Recipient's Ordinance No.10-027/P-RM establishing the Institute Polytechnic of Katibougou dated August 4, 2010; the Recipient's Ordinance No. 10-011 PG/RM dated March 1, 2010, as ratified by Recipient's Law No. 2013/014 dated May 21, 2013 establishing the University of Segou; the Recipient's Ordinance No. 2011/020/PRM dated September 28, 2011 as ratified by Recipient's Law No. 2011-082 dated December 29, 2011 establishing the University of Science and Technology; the Recipient's Ordinance No. 028/P-RM dated August 4, 2010 as amended by Recipient's Law No. 2012-043 dated November 16, 2012 establishing the National School of Engineering, and the relevant instrument establishing any other Participating HEI that may be selected to participate in the Project.

32. "Planning and Prospective Unit" or "PPU" means the unit referred to in Part B (4) of Schedule 1 to this Agreement or any successor thereto.


34. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 12, 2015 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.

35. "Project Implementation Unit" or "PIU" means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement.
36. "Project Operational Manual" or "POM" means manual referred to in Section I.E of Schedule 2 to this Agreement.

37. "Resettlement Action Plan" or "RAP" mean the Recipient's document prepared and disclosed in accordance with the Resettlement Policy Framework, which, inter alia: (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

38. "Resettlement Plan Framework" or "RFP" means the Recipient's document to be adopted and disclosed by the Recipient, as the same may be amended from time to time subject to prior written consent from the Association, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as such Resettlement Policy Framework may be amended from time to time with the prior written consent of the Association.

39. "SIGES" means the information and management system for the education sector in Mali (system d'information et de gestion du secteur de l'éducation)

40. "Technical Committee" means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement or any successor thereto.

41. "Training" means costs associated with the participation of personnel involved in Project-supported 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.

42. "Withdrawal" means each withdrawal under Category (1) of the table in Section IV of Schedule 2 to this Agreement.