Financing Agreement

(Additional Financing for Second Education Sector Investment Program)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 5, 2007
FINANCING AGREEMENT

AGREEMENT dated June 5, 2007, entered into between REPUBLIC OF MALI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement).

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, in the Appendix to this Agreement, or in the Original Financing Agreement.

1.03. The Original Financing Agreement is amended as set out in Section II of 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 credit in an amount equivalent to ten million Special Drawing Rights (SDR 10,000,000) (“Financing”) to assist in financing Parts 1 (a), 2 (a) and (b), and 3 (a) and (b) of the project described in Schedule 1 to this Agreement (“Project”).

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 1 and September 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Dollar.

**ARTICLE III — PROJECT**

3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out the Project through its ministry at the time responsible for education 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 the Schedule to this Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

4.01. The Additional Event of Suspension consists of the following:

A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

4.02. The Additional Event of Acceleration consists of the following:

The event specified in Section 4.01 of this Agreement occurs.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient’s Representative is the minister at the time responsible for finance.
6.02. The Recipient’s Address is:

Ministry of the Economy and Finance
P. O. Box 234
Bamako
Mali

Telex: 2559MJ
Facsimile: 223-222-14-88
          223-222-07-93

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.
AGREE[d] at Bamako, Mali, as of the day and year first above written.

REPUBLIC OF MALI

By /s/ Abou-Bakar Traoré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alassane Diawara

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase the proportion of the Recipient’s children completing quality first-cycle basic education and improve the overall efficiency of resource use in the education sector.

The Project consists of the following parts:

1. Improving Quality of First Cycle of Basic Education

   (a) Establishment of reading areas, including necessary textbook stocking devices and books, in approximately 50 percent of classrooms in schools in first cycle of basic education (approximately 9,600 classrooms), and equipping of libraries in five (5) Teacher Training Institutes (approximately 2,000 textbooks per Institute), through acquisition of goods such as books, shelves and storage equipment.

   (b) Implementation of Direct Support to Improve School Productivity scheme for purpose of purchase of school supplies for schools having an operational School Management Committee.

   (c) Support to training and in-service training:

      (i) provision of 60-day in-service training for certification of approximately 3,000 community school teachers; and

      (ii) provision of accelerated training and in-service training, each of 60 working days, to approximately 1,800 new teachers.

2. Increasing Access to Education

   (a) Construction and equipping of classrooms in first and second cycles of basic education (approximately 1,370 classrooms), including provision of furniture and water adduction and construction of lavatories.

   (b) Construction and equipping of three (3) general secondary schools (approximately 600 students each) and one (1) Teacher Training Institute.
Support to apprenticeship programs in key areas of youth employment.

3. Strengthening of Institutional Management Capacities in Education Sector, and Program Coordination

(a) Strengthening of human resource management, including evaluation of central-level and decentralized managers and their adaptation to job profiles and training of said managers.

(b) Improvement of allocation and efficiency of resources through strengthening of budgetary and financial management, establishment of regulatory framework for independent management of public entities of technical and professional education, promotion of private education, establishment of instrument integrating school map facilitating more efficient resource allocation and inequality reduction, carrying out of annual audits of school construction and textbook management, and piloting of resource management improvement program in one (1) Bamako University department.

(c) Establishment of integrated education management information system.

(d) Program coordination and management, including financing of Project Operating Costs, and carrying out of Learning Assessments.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient’s ministry at the time responsible for education shall coordinate Project implementation through its technical directorates.

2. The Recipient shall maintain, under its ministry at the time responsible for education, throughout Project implementation, the following entities, with terms of reference, personnel, resources, and functions satisfactory to the Association and as further detailed in the Project Implementation Procedures Manual:

   (a) The Cabinet Council, headed by the Minister at the time responsible for education, which shall provide overall guidance in Project implementation and ensure that Project activities are consistent with the Recipient’s policy objectives in the sector.

   (b) The Steering Committee, headed by the Secretary General of the ministry at the time responsible for education, and comprising the technical units involved in Program implementation, which shall be responsible for evaluation of technical projects under the Program and for preparation of said projects for submission to the Cabinet Council for approval.

   (c) The Planning and Statistics Unit, which shall be responsible, *inter alia*, for: (i) provision of assistance to the technical departments of the Recipient’s ministry at the time responsible for education, Academies of Education and Pedagogical Activity Centers in: (A) development and implementation of their annual work programs; (B) preparation and submission of Program implementation progress reports to development partners; (C) updating of outcome and results indicators of Program implementation; and (D) the carrying out of audits referred to in Section V.C.3 of this Schedule and implementation of the recommendations of said audits; (ii) coordination of technical and financial partner actions in the sector; and (iii) provision of administrative services to the Cabinet Council and Steering Committee.

   (d) The Academies of Education, whose Directors shall coordinate Project implementation and monitoring at the regional level.
3. Other Project implementation entities:

(a) The **National Directorate of Basic Education** shall be responsible for implementation of Part 1 (a) and (c) of the Project, including Part 1 (c) (i) in collaboration with **Teacher Training Institutes**.

(b) The **School Management Committees** shall be responsible for the implementation of Part 1 (b) of the Project.

(c) The **National Investment Agency of Territorial Authorities** shall be responsible for the channeling of resources to local governments for implementation of Part 2 (a) of the Project.

(d) The **School Infrastructure and Facilities Division** shall be responsible for implementation of Part 2 (b) of the Project.

(e) The **Vocational Training and Apprenticeship Support Fund** shall be responsible for implementation of Part 2 (c) of the Project.

(f) The **Administrative and Financial Directorate** shall be responsible for implementation of Part 3 of the Project.

B. **Subsidiary Agreement**

1. To facilitate the carrying out of Part 2 (a) of the Project, the Recipient shall make part of the proceeds of the Financing available to the National Investment Agency of Territorial Authorities under a subsidiary agreement between the Recipient and said entity, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include the following:

(i) Absent communication of an objection by the Recipient’s ministry responsible for education to the National Investment Agency of Territorial Authorities within two (2) weeks of submission to said ministry of an application for withdrawal of proceeds of the Financing by said Agency, said Agency shall proceed to transmit the application for withdrawal of proceeds to the Association for processing.

(ii) In the event of such an objection, the Recipient’s ministry responsible for education and the National Investment Agency of Territorial Authorities shall collaborate in order to reach an agreement in form and substance satisfactory to the Association.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Procedures Manual; and (ii) except as the Association shall otherwise agree, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, in a manner which, in the opinion of the Association, may materially or adversely affect Project implementation or achievement of the objective thereof.

D. Anti-Corruption

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

E. Safeguards

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Framework Plan, and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, materially or adversely affect Project implementation or achievement of the objective thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
<table>
<thead>
<tr>
<th>Indicator</th>
<th>December 31, 2005</th>
<th>End of 2008-09 School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Objective:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Completion rate in first cycle of basic education (Percentage)</td>
<td>43.2</td>
<td>56.4</td>
</tr>
<tr>
<td>(2) Proportion of students in second, fourth and sixth years of first cycle of basic education, relative to such students classified by gender, Academy of Education, urban area, and rural area, having acquired basic competency in reading and mathematics (Percentage)</td>
<td>n/a</td>
<td>60</td>
</tr>
<tr>
<td><strong>Part 1 of Project:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Proportion of repeaters (Percentage):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) First cycle of primary education</td>
<td>18.6</td>
<td>13.7</td>
</tr>
<tr>
<td>(b) Second cycle of primary education</td>
<td>23.9</td>
<td>18.8</td>
</tr>
<tr>
<td>(2) Number of classrooms in first cycle of basic education having satisfactory reading area</td>
<td>0</td>
<td>9,600</td>
</tr>
<tr>
<td>Indicator</td>
<td>December 31, 2005</td>
<td>End of 2008-09 School Year</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>Part 2 of Project:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Gross intake in first cycle of basic education (Percentage)</td>
<td>66.6</td>
<td>80</td>
</tr>
<tr>
<td>(2) Proportion of girls relative to total enrolment in first cycle of basic education (Percentage)</td>
<td>43.8</td>
<td>46.2</td>
</tr>
<tr>
<td>(3) Proportion of girls relative to total enrolment in second cycle of basic education (Percentage)</td>
<td>40</td>
<td>44</td>
</tr>
<tr>
<td>(4) Number of students with access to secondary education following construction of three (3) secondary schools under Part 2 (b) of Project</td>
<td>0</td>
<td>1,800</td>
</tr>
</tbody>
</table>

**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, as part of the Project Report, interim un-audited 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Non-Consulting Services, and Works. All goods, non-consultant services, and works 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. Non-Consulting Services. All non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured using bidding documents in form and substance satisfactory to the Association, and under contracts awarded on the basis of National Competitive Bidding. Each contract for Non-Consulting Services estimated to cost the equivalent of $50,000 or less may be awarded on the basis of Shopping.

3. 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.

4. 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Non-Consulting Services, and Works

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

2. Other Methods of Procurement of Goods, Non-Consulting Services, and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, non-consulting services, and works. The Procurement Plan shall specify the circumstances under which such methods may be used:
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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection Based on a Fixed Budget</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Use of Non-Governmental Organizations</td>
</tr>
<tr>
<td>(g) Procurement Agent</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract procured for goods or non-consulting services estimated to cost the equivalent of $200,000 or more; (b) the first three (3) contracts for goods, non-consulting services, or works procured on the basis of National Competitive Bidding or Shopping, respectively; (c) each contract for goods, non-consulting services, or works procured on the basis of Direct Contracting; (d) each contract for works estimated to cost the equivalent of $500,000 or more; (e) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; (f) each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of $50,000 or more; (g) each contract for consultants’ services (provided by a firm or an individual) procured on the basis of Single Source Selection. 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 100 percent of Eligible Expenditures.

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 Credit 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>Percentage of Expenditures to be Financed (Exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Improving Quality of First Cycle of Basic Education (Part 1 of Project)</td>
<td>2,400,000</td>
<td>100</td>
</tr>
<tr>
<td>(2) Increasing Access to Education (Part 2 of Project)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Ministry at the time responsible for education</td>
<td>2,290,000</td>
<td>100</td>
</tr>
<tr>
<td>(b) National Investment Agency of Territorial Authorities</td>
<td>4,450,000</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Credit Allocated (Expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed (Exclusive of Taxes)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(3) Strengthening of Institutional Management Capacities in Sector, and Program Coordination (Part 3 of Project)</td>
<td>460,000</td>
<td>100</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,000,000</strong></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:

   (a) made prior to the date of this Agreement, except that withdrawals for Eligible Expenditures up to an aggregate amount not to exceed $150,000 equivalent under Category (2) (a) may be made for payments made prior to this date but on or after April 15, 2007; and

   (b) under Category 2 (b), unless an agreement, in form and substance satisfactory to the Association, has been signed between the Recipient and the National Investment Agency of Territorial Authorities for the purpose of implementation of Part 2 (a) of the Project by the latter, as set out in Section I.B.1 of this Schedule.

2. The Closing Date is December 31, 2010.

**Section V. Other Undertakings**

**A. Annual Work Plans and Budgets**

The Recipient shall furnish to the Association as soon as available, but in any case no later than September 1 of each year, an annual work plan and budget for the Project for the following year, in form and substance satisfactory to the Association and of such scope and detail as the Association shall have reasonably
requested, except for the annual work plan and budget due no later than September 1, 2007, which shall be furnished no later than October 1, 2007 or thirty (30) days after the Effective Date, whichever is sooner.

B. Midterm Review

The Recipient shall:

1. (a) carry out jointly with the Association, no later than twelve (12) months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (b) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) implementation of annual work plans and budgets; (iii) progress on procurement and disbursement; and (iv) results of monitoring and evaluation activities; and

(b) make adjustments to the Project and reallocate funds to improve performance, if needed.

2. Prepare and furnish to the Association, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

3. Review, jointly with the Association, the report referred to in paragraph 2 of this Section, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said report and the Association’s views on the matter.

C. Other

1. The Ministry of the Recipient at the time responsible for education shall, no later than October 31 of each year of Project implementation, submit to the Association and to other development partners an annual action plan, in form and substance satisfactory to the Association, for the subsequent calendar year, setting out the activities to be carried out during the year and the cost of such activities.
2. The Ministry of the Recipient at the time responsible for education shall, no later than October 31 of each year of Project implementation, submit to the Association for approval an annual action plan, in form and substance satisfactory to the Association, in respect of training of personnel of said Ministry and teachers in the subsequent calendar year.

3. The Recipient shall transmit to the Association, no later than May 31 of each year of Project implementation, the results, in form and substance satisfactory to the Association, of the annual audits of school construction and textbook management carried out in the territory of the Recipient during the preceding 12 months.

4. The Recipient shall transmit to the Association, no later than August 31, 2007 and 2009, the results, in form and substance satisfactory to the Association, of the Learning Assessments carried out in the territory of the Recipient during the preceding two (2) years.
**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 March 1 and September 1:</td>
<td></td>
</tr>
<tr>
<td>Commencing September 1, 2017 to and including March 1, 2027</td>
<td>1 %</td>
</tr>
<tr>
<td>Commencing September 1, 2027 to and including March 1, 2047</td>
<td>2 %</td>
</tr>
</tbody>
</table>

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.*
APPENDIX

Section I. **Definitions**


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


4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).

5. “National Directorate of Basic Education” means the Recipient’s entity, under the supervisory authority of the ministry at the time responsible for education, responsible for basic education.

6. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

7. “Original Financing” means the amount in various currencies equivalent to twenty four million Special Drawing Rights (SDR 24,000,000) made available by the Association to the Recipient, on the terms and conditions set forth in the Original Financing Agreement (as hereinafter defined).

8. “Original Financing Agreement” means the financing agreement for an Education Sector Expenditure Program (Phase II) between the Recipient and the Association, dated September 1, 2006, as amended to the date of this Agreement (Credit No. 4222-MLI).

9. “Original Project” means the Project described in the Original Financing Agreement.

11. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 12, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

12. “School Infrastructure and Facilities Division” means the Recipient’s entity, under the supervisory authority of the ministry at the time responsible for education, responsible for school infrastructure and facilities.

Section II. Amendment to Original Financing Agreement

The Original Financing Agreement is amended to read as follows:

1. The name of the project is amended to read as follows:

Second Education Sector Investment Program

2. Section II.A.1 (b) (i) (B) of Schedule 2 is amended to read as follows:

(B) 60 percent of all students in the second, fourth, and sixth years of the first cycle of basic education, calculated as a proportion of such students classified by gender, Academy of Education, urban area and rural area, have acquired basic competency in reading and mathematics.

3. Section IV.B of Schedule 2 is amended to read as follows:

The Closing Date is December 31, 2010.