Date: April 1, 2019

H. E. Boubou Cissé  
Minister of Economy and Finance  
Ministry of Economy and Finance  
B.P. 234  
Hamdallaye ACI 2000  
Bamako  
Republic of Mali  

Re: Republic of Mali: Advance Agreement for the Preparation of the Proposed Deployment of State Resources for Better Service Delivery Project  
Project Preparation Advance No. V268  

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Mali ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed eight hundred thousand United States Dollars (USD $800,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to strengthen state effectiveness at the central and local levels for better service delivery ("Project"), for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this

[remainder of page intentionally left blank]
Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Soukayna Kabe
Country Director for Mali
Africa Region

AGREED:
REPUBLIC OF MALI

By: [Signature]
Authorized Representative

Name: [Signature]
Dr. Boukou Fissé
Title: [Signature]
Minister of Economy and Finance

Date: [Signature]

Enclosures:

2. Disbursement Letter for the Advance of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017; and
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010 ("Standard Conditions"), constitute an integral part of this Agreement.

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

(a) "DGCT" means the Recipient's general directorate of local governments, established within the Recipient's ministry responsible for land administration and decentralization.

(b) "EHS Guidelines" means the World Bank Group Environmental, Health and Safety Guidelines published on [www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines), as said guidelines are updated from time to time.

(c) "Implementation Unit" means the unit established and operating within the administrative structure of the Recipient's ministry in charge of finance, pursuant to the IDA financing for the Safety Nets Project (Jigisemejiiri) (Grant Number D3480-ML).

(d) "OISE" means *Outil Informatisé de Suivi-Évaluation*, a local government database which allows for the collecting and sharing of local government performance information among the different levels of government and civil society to monitor local government performance and quality of service delivery.

(e) "Operating Costs" means the incremental operating expenses incurred on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment, office supplies, vehicles, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient's civil service.

(f) "PPM" means *Plan de Passation de Marchés*.

(g) "PPSD" means Project Procurement Strategy for Development.

(h) "Safeguards Policies" means the Operational Policies (Ops) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at [https://policies.worldbank.org](https://policies.worldbank.org).

(i) "Training" means the following expenditures incurred in providing training, seminars or workshops including: (i) travel by participants and presenters to the training or workshop site; (ii) *per diem* allowances of such persons during the training, seminars or
workshops; (iii) honoraria for the presenters; (iv) rental of facilities; (v) materials, supplies; and (vi) translation and interpretation services.

Article II
Execution of the Activities

2.01. Description of the Activities. The Activities for which the Advance is provided consist of the following parts:

(a) Carry out the recruitment of operational staff for the Project, including: (i) a financial management officer; and (ii) a procurement specialist.

(b) Carry out the preparation of operational manuals for the Project, including: (i) a Financial Management manual; and (ii) a Procurement manual.

(c) Carry out studies, including: (i) a study to evaluate capacity in communes; (ii) a baseline indicators study; (iii) a PPSD; and (iv) a PPM.

(d) Carry out the update of OIIE database maintained by DGCT.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Implementation Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2.03. Safeguards. The Recipient shall cause the Implementation Unit to make sure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implication, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the World Bank; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable World Bank Safeguards Policies and EIIS Guidelines.

2.04. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

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

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.
(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. Procurement

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated February 25, 2019 (“Procurement Plan”), provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III
Withdrawal of the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance 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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
Category | Amount of the Advance Allocated (expressed in Dollars) | Percentage of Expenditures to be Financed (inclusive of Taxes)
--- | --- | ---
(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities | 800,000 | 100%

TOTAL AMOUNT | 800,000 |

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Refinancing Date. The Refinancing Date is November 30, 2019.

Article IV
Terms of the Advance

4.01. Service Charge. The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. Repayment. The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) Refinancing under the Refinancing Agreement: If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) Repayment in the absence of a Refinancing Agreement: If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed $50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in
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no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds $50,000, it (together with service charges accruing on the Withdrawn Advance Balance to the Notice Date) (the “Aggregate Balance”) shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates (“Payment Dates”) which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date (“Notice Date”) of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

5.02. Recipient’s Address. The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Economy and Finance
B.P. 234
Hamdallaye ACl 2000
Bamako
Republic of Mali

Facsimile:

223 20 22 19 14
223 20 23 16 54

5.03. World Bank’s Address. The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

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

Telex: Facsimile:

248423 (MCI) or (1)-202-477-6391
64145 (MCI)