
President's report

Proposed loans

Republic of Mali

**Second Rural Youth Vocational Training, Employment
and Entrepreneurship Support Project - FIER 2**

Addendum

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Republic of Mali

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Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2022/137/R.37. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

The financing summary, page iii, should be replaced with the following:

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Minister of Economy and Finance
Executing agency:	Ministry of National Entrepreneurship, Employment and Vocational Training
Total project cost:	EUR 99.1 million (equivalent to approximately US\$100 million)
Amount of IFAD loan 1 (SHC) :	EUR 30.9 million (equivalent to approximately US\$31.2 million)
Amount of IFAD loan 2 (HC):	EUR 7.73 million (equivalent to approximately US\$7.8 million)
Terms of IFAD loans:	Super highly concessional (SHC): 50 years, including a grace period of 10 years, with a service charge of 0.10 per cent per annum (adjustments for single-currency loans) Highly concessional (HC): 40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum (adjustments for single-currency loans)
Domestic cofinancier:	Malian microfinance institutions
Amount of cofinancing:	EUR 8.34 million (equivalent to approximately US\$8.4 million)
Terms of cofinancing:	Microloans at commercial interest rates
Contribution of borrower/recipient:	EUR 7.3 million (equivalent to approximately US\$7.4 million)
Contribution of beneficiaries:	EUR 5.6 million (equivalent to approximately US\$5.6 million)
Financing gap:	EUR 39.3 million (equivalent to approximately US\$39.6 million)
Amount of IFAD climate finance:	EUR 15.1 million (equivalent to approximately US\$15.28 million)

Page 4, paragraph 21 should be replaced with the following:

"21. **Project costs**, over seven years, are estimated at EUR 99.1 million, consisting of base costs of EUR 90.4 million (91.2 per cent of total costs) and physical and price contingencies of EUR 8.7 million (8.8 per cent of total costs). These costs are based on a national inflation rate of 2.6 per cent per year and an international inflation rate of 2.0 per cent per year; and physical contingencies up to a level of 5 per cent for certain expenditure categories, drawing on recent country programme experience. Investment costs represent 88 per cent of base costs, namely, EUR 80 million; of which operating costs make up 12 per cent (EUR 10.4 million)."

Page 4, paragraph 23 should be replaced with the following:

"23. Project subcomponent 1.2 on resilient infrastructure is partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated as EUR 15.1 million."

Page 5, table 1 should be replaced with the following:

Table 1

Project costs by component and subcomponent and financier

(Thousands of euros)

<i>Component/subcomponent</i>	<i>Super highly concessional IFAD loan</i>		<i>Highly concessional IFAD loan</i>		<i>Microfinance institutions</i>		<i>Beneficiaries</i>		<i>Government</i>		<i>Financing gap</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
1. Improving the enabling institutional and socio-economic environment for the promotion of rural youth entrepreneurship and employment														
1.1 Capacity-building of public and private institutions	2 841.6	55.2	270.9	5.3			102.9	2.0	1 070.2	20.8	860.3	16.7	5 145.9	5.2
1.2 Resilient bulking infrastructure for rural youth	5 977.6	33.7	43.6	0.2			1 307.8	7.4	3 793.5	21.4	6 605.8	37.3	17 728.3	17.9
Subtotal	8 819.3	38.6	314.5	1.4			1 410.6	6.2	4 863.7	21.3	7 466.1	32.6	22 874.2	23.1
2. Supporting rural youth in generating decent incomes through sustainable access to financial and non-financial services adapted to their aspirations and market requirements														
2.1 Supporting rural youth to choose a professional career path	9 927.8	43.7	392.3	1.7			3.5	-	446.1	2.0	11 932.3	52.6	22 702.0	22.9
2.2 Supporting the access of rural youth to appropriate financial services	7 264.7	18.6	6 330.9	16.2	8 336.5	21.3	4 170.5	10.7	54.1	0.1	12 953.1	33.1	39 109.9	39.4
Subtotal	17 192.5	27.8	6 723.3	10.9	8 336.5	13.5	4 174.0	6.8	500.4	0.8	24 885.4	40.3	61 811.9	62.3
3. Project coordination and management	4 921.3	34.0	709.4	4.9					1 917.2	13.3	6 906.0	47.8	14 453.9	14.6
Total	30 933.0	31.2	7 747.2	7.8	8 336.5	8.4	5 584.7	5.6	7 281.2	7.3	39 257.6	39.6	99 140.0	100.0

Page 5, table 2 should be replaced with the following:

Table 2

Project costs by expenditure category and financier

(Thousands of euros)

Cost categories	Super highly concessional IFAD loan		Highly concessional IFAD loan		Microfinance institutions		Beneficiaries		Government		Financing gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Investment costs														
1. Civil engineering	5 911.8	37.1	-				1 410.6	8.8	2 869.4	18.0	5 749.5	36.1	15 941.4	16.1
2. Guarantee funds	1 466.1	51.8	1 199.5	42.4							166.8	5.9	2 832.3	2.9
3. Funds for the refinancing of SFD	1 800.4	64.0	850.9	30.2					11.5	0.8	151.6	5.4	2 814.4	2.8
4. Equipment	1 754.6	42.3	-						1 660.3	40.0	735.9	17.7	4 150.8	4.2
5. Cars	243.5	21.3	219.1	19.2					456.7	40.0	222.6	19.5	1 141.8	1.2
6. Matching grants	3 867.5	11.6	4 278.8	12.9	8 336.5	25.1	4 174.0	12.5			12 604.0	39.7	33 260.8	33.5
7. Consultancy services	616.7	47.0	154.2	11.7					236.3	18.0	305.2	23.3	1 312.2	1.3
8. Other services	1 133.3	27.1	511.7	12.2					753.6	18.0	1 787.8	42.8	4 186.2	4.2
9. Training, information, education and communication, awareness campaigns	10 267.1	47.3	-								11 421.0	52.7	21 688.2	21.9
10. Workshops	167.2	41.9	115.2	28.9							116.6	29.2	398.9	0.4
Subtotal	27 228.0	31.0	7 329.3	8.4	8 336.5	9.5	5 584.7	6.4	5 987.8	6.8	33 260.9	37.9	87 727.1	88.5
Recurrent costs														
1. Staff costs	3 137.2	33.0	348.6	3.7					951.1	10.0	5 074.1	53.4	9 510.9	9.6
2. Operational costs	567.9	29.9	69.2	3.6					342.3	18.0	922.6	48.5	1 902.0	1.9
Subtotal	3 705.1		417.8		-		-		1 293.5		5 996.7		11 413.0	11.5
Total	30 933.0	31.2	7 747.2	7.8	8 336.5	8.4	5 584.7	5.6	7 281.2	7.3	39 257.6	39.6	99 140.0	100.0

Page 6, table 3 should be replaced with the following:

Table 3

Project costs by component and subcomponent and project year (PY)

(Thousands of euros)

<i>Component/subcomponent</i>	<i>PY1</i>		<i>PY2</i>		<i>PY3</i>		<i>PY4</i>		<i>PY5</i>		<i>PY6</i>		<i>PY7</i>		<i>Total</i>		
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	
1. Improving the enabling institutional and socio-economic environment for the promotion of rural youth entrepreneurship and employment																	
1.1 Capacity-building of public and private institutions	1 239.1	24.1	2 237.8	43.5	636.3	12.4	438.0	8.5	455.0	8.8	135.8	2.6	4.0	0.1	5 145.9	5.2	
1.2 Resilient bulking infrastructure for rural youth	30.1	0.2	3 155.8	17.8	5 306.5	29.9	4 831.8	27.3	4 369.9	24.6	17.0	0.1	17.3	0.1	17 728.3	17.9	
Subtotal	1 269.2	5.5	5 393.6	23.6	5 942.6	26.0	5 269.8	23.0	4 824.8	21.1	152.9	0.7	21.3	0.1	22 874.2	23.1	
2. Supporting rural youth in generating decent incomes through sustainable access to financial and non-financial services adapted to their aspirations and market requirements																	
2.1 Supporting rural youth to choose a professional career path	1 877.8	8.3	3 230.0	14.2	3 846.7	16.9	4 497.0	19.8	4 285.3	18.9	3 223.6	14.2	1 741.5	7.7	22 702.0	22.9	
2.2 Supporting the access of rural youth to appropriate financial services	5 429.9	13.9	8 199.7	21.0	4 841.5	12.4	4 962.8	12.7	5 091.8	13.0	5 224.2	13.4	5 360.0	13.7	39 109.9	39.4	
Subtotal	7 307.7	11.8	11 429.6	18.5	8 688.2	14.1	9 459.8	15.3	9 377.2	15.2	8 447.9	13.7	7 101.5	11.5	61 811.9	62.3	
3. Project coordination and management	2 849.7	19.7	1 819.7	12.6	1 836.3	12.7	1 966.8	13.6	2 182.0	15.1	1 827.2	12.6	1 972.0	13.6	14 453.9	14.6	
Total	11 426.7	11.5	18 642.9	18.8	16 467.3	16.6	16 696.5	16.8	16 384.0	16.5	10 427.9	10.5	9 094.8	9.2	99 140.0	100.0	

Page 12, the recommendation should read:

"50. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Mali in an amount of ~~seven million eight hundred thousand United States dollars (US\$7,800,000)~~ seven million seven hundred thirty-three thousand euros (EUR 7,733,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on super highly concessional terms to the Republic of Mali in an amount of ~~thirty one million two hundred thousand United States dollars (US\$31,200,000)~~ thirty million nine hundred thirty-two thousand euros (EUR 30,932,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."

Alvaro Lario
President