

PARLEMENT

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REPUBLIQUE DU CONGO

Unité-Travail-Progrès

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Loi 40 - 2012 du 28 décembre 2012  
autorisant la ratification de l'accord de crédit n°5063-CG portant  
financement du projet de renforcement des capacités de transparence  
et de gouvernance

*L'ASSEMBLEE NATIONALE ET LE SENAT ONT DELIBERE ET ADOPTE ;*

*LE PRESIDENT DE LA REPUBLIQUE PROMULGUE LA LOI DONT LA TENEUR SUIT :*

Article premier : Est autorisé la ratification de l'accord de crédit n°5063-CG portant financement du projet de renforcement des capacités de transparence et de gouvernance, signé le 30 mai 2012, entre la République du Congo et l'Association Internationale de Développement dont le texte est annexé à la présente loi.

Article 2 : La présente loi sera publiée au Journal Officiel et exécutée comme loi de l'Etat.-

Fait à Brazzaville, le 28 décembre 2012



Denis SASSOU-N'GUESSO.-

Par le Président de la République,

Le ministre d'Etat, ministre de l'économie,  
des finances, du plan, du portefeuille public.  
et de l'intégration,



Gilbert ONDONGO.-

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CREDIT NUMBER 5063-CG

# Financing Agreement

(Transparency and Governance Capacity Building Project II)

between

REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *May 30*, 2012

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**FINANCING AGREEMENT**

AGREEMENT dated *May 30*, 2012, entered into between REPUBLIC OF CONGO ("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 credit in an amount equivalent to three million three hundred thousand Special Drawing Rights (SDR 3,300,000) (variously, "Credit" and "Financing") to assist in financing 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 Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.
- 2.06. The Payment Dates are May 1 and November 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is the Dollar.

### **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 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, namely, that the Association has determined that at any time before the Closing Date, the Recipient has failed to apply sound environmental or social standards or practices in its management or carrying out of investments by the Target Ministries.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Recipient has deposited into the Project Counterpart Funds Account an amount in CFA Franc equivalent to two million Dollars (\$2,000,000) in accordance with the provisions of Section 1.C of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. 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 (20) years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is its minister responsible at the time for finance.

6.02. The Recipient's Address is:

*Ministère des Finances, du Budget et du Portefeuille Public*  
Boulevard Denis Sassou Nguesso / Avenue Foch  
B.P. 2083  
Brazzaville  
Republic of Congo

Facsimile:

(242) 2281.43.69

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

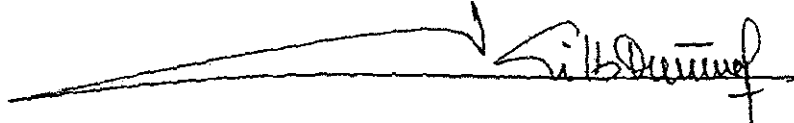
INDEVAS  
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Brazzaville Republic of Congo as of the day  
and year first above written.

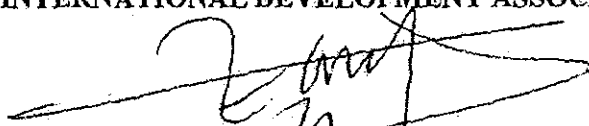
REPUBLIC OF CONGO

A handwritten signature in black ink, appearing to read 'Gilbert Ondongo', written over a horizontal line.

By Gilbert Ondongo

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

A handwritten signature in black ink, appearing to read 'Eustache Ouayoro', written over a horizontal line.

By Eustache Ouayoro

Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to strengthen the capacity of targeted public sector ministries, agencies and accountability structures for improved management of human and financial resources. The Project consists of the following parts:

**Part A: Increased Capacity to Manage Public Finances and Human Resources**

**(1) Public Financial and Investment Management**

Carrying out of a program to further the reform of the Recipient's public financial and investment management, said program to consist of:

- (a) operationalization of the Recipient's computerized budget management system through the: (i) acquisition and installation of required software; (ii) connection of its customs and tax authorities and department-level finance units of its ministries to said system; and (iii) provision of training to the personnel responsible for utilizing said system; and
- (b) continued strengthening of the Recipient's public investment management through the: (i) design within the key planning and finance directorates of the Recipient's ministries responsible, respectively, for finance, planning, transport, trade, agriculture and energy, of information systems and databases and manuals needed for the effective identification and selection, monitoring and evaluation of their investment projects and planning of the recurrent costs thereof; (ii) provision of training in budget planning for relevant personnel of the Recipient in order to facilitate progressive decentralization of public expenditure management; (iii) updating of strategies for the education, health, agriculture and energy sectors; and (iv) updating of macro-economic data for all sectors in order to prepare a suitable medium term expenditure framework.

**(2) Procurement**

Carrying out of a program to strengthen the Recipient's procurement capacities, said program to consist of: (a) provision of procurement training and technical assistance to relevant personnel of the Recipient; and (b) development and operationalization of a procurement complaints intake mechanism.



(3) **Public Service Management**

Operationalization of the Recipient's computerized human resource management system through the: (a) installation and utilization of software designed to permit appropriate career management and maintenance of human resource records; and (b) provision of training to relevant personnel of the Recipient in the utilization of said software.

(4) **Results-based Management**

Carrying out of a program to extend the utilization by the Recipient's ministries of results-based management approaches and practices, through the:

- (a) operationalization on a pilot basis within its ministries responsible, respectively, for finance, planning, transport, trade, energy, civil service, small- and medium-scale enterprises and health, of rapid results approach methodologies to enhance said ministries' capacities to implement their budgets and investment programs; and
- (b) based on the experience gained in the implementation of the pilot included under paragraph (a) of this Part A(4), development and introduction of a performance management framework for its ministries, such framework to include a monitoring and evaluation framework linking, at all levels within the ministry concerned, performance targets to outputs to be delivered under the ministry's budget, and provision of training required therefor.


**Part B: Strengthened Capacity of Accountability Structures**

(1) **Independent Governance Observatory; Anti-Corruption Commission**

Carrying out of a capacity building program to enhance transparency, accountability and effectiveness in the Recipient's public sector management, said program to consist of technical assistance and training to the Independent Governance Observatory and the Anti-Corruption Commission on budget and procurement matters.

(2) **Demand for Good Governance**

Carrying out of a capacity building program to enhance the Recipient's capacity to monitor and evaluate public sector reforms, said program to consist of:


- (a) technical assistance and training for selected national non-governmental and media organizations, the Recipient's parliamentary commissions responsible for finance and for economy, its supreme audit institution ("*cour des comptes*") and its state inspector general ("*inspection*" 



*générale d'état*"), in the monitoring of public finances and evaluation of public services; and

- (b) dissemination of the results of the monitoring and evaluation carried out by said entities.

**Part C: Monitoring and Evaluation**

- (1) Carrying out of a program to design and apply a national monitoring and evaluation system, said program to consist of: (a) development of a national evaluation strategy and guidelines for its implementation; (b) development of appropriate indicators for the Recipient's economic and financial programs; (c) design and implementation of an evaluation agenda for the Recipient's ministries.
- (2) Project coordination, monitoring and evaluation, through the provision of staff for the Project Implementation Unit and training required for the purpose. 

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### 1. Steering Committee

The Recipient shall maintain throughout the period of Project implementation, the Steering Committee, with mandate, composition and resources satisfactory to the Association, to be responsible, *inter alia*, for providing inter-ministerial coordination and oversight of the Project.

##### 2. Project Implementation Unit

(a) The Recipient shall maintain throughout the period of Project implementation, a Project implementation unit ("PIU") within the Ministry of Finance, whose terms of reference and resources shall be satisfactory to the Association, and which shall be supported by qualified and experienced staff in adequate numbers, to be responsible for overall Project coordination and management.

(b) Without limitation upon the provisions of paragraph (a) of this Section 2, the Recipient shall:

(i) maintain within the PIU, throughout the period of Project implementation, the following staff, whose qualifications, experience and terms of reference shall be satisfactory to the Association:

(A) a Project coordinator;

(B) a financial and administrative management specialist;

(C) a procurement specialist;

(D) a monitoring and evaluation specialist;

(E) an accountant;

(F) a driver; and

(G) an assistant; and



(ii) employ and assign to the PIU not later than three (3) months after the Effective Date the following staff, whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association:

(A) an internal auditor; and

(B) a financial officer.

**B. Project Implementation Manual**

1. The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual, and shall not amend or waive any of its provisions without the prior written agreement of the Association.
2. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of the Financing Agreement, the provisions of the Financing Agreement shall prevail.

**C. Project Counterpart Funds**

1. The Recipient shall open and thereafter at all times throughout the implementation of the Project maintain in a financial institution and on terms and conditions acceptable to the Association, an account into which the Recipient shall deposit all counterpart funds required for the Project ("Project Counterpart Funds Account").
2. Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient shall deposit into the Project Counterpart Funds Account amounts in CFA Francs equivalent to each of the following amounts, not later than the dates indicated next to such amount:

<b>USD equivalent of the amount to be deposited</b>	<b>Date not later than which the amount shall be deposited in the Project Counterpart Funds Account</b>
\$2,000,000	Effective Date
\$5,000,000	April 30, 2013
\$5,000,000	September 30, 2013
\$4,800,000	April 30, 2014
\$4,500,000	September 30, 2014



3. The Recipient shall use all amounts deposited in the Project Counterpart Funds Account exclusively to pay for Eligible Expenditures included in the Annual Work Plan.

**D. Annual Work Plans**

1. The Recipient shall, not later than December 1 in each calendar year, prepare and furnish to the Association, a plan of activities proposed for inclusion in the Project during the following calendar year, including: (a) a detailed budget for said activities; (b) a detailed timetable for the sequencing and implementation of said activities; and (c) the types of expenditures required for such activities and a proposed financing plan for such expenditures (including counterpart funds to be provided by the Recipient for each semester during said following calendar year).
2. The Recipient shall exchange views with the Association on each such proposed annual work plan, and shall thereafter, provide the required financing for, and carry out such plan of activities for such following year as shall have been agreed between the Recipient and the Association ("Annual Work Plan").
3. Only those activities which are included in an Annual Work Plan shall be included in the Project and eligible for financing under the Financing.
4. The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Annual Work Plan, it shall include in the proposed Annual Work Plan: (a) the objective and content of the training or workshop envisaged; (b) the selection method of the institutions or individuals conducting such training or workshop, and said institutions and individuals if already known; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the selection method of the personnel who will attend the training or the workshop, and said personnel if already known.

**E. Anti-Corruption**

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

**F. Part B(2) of the Project.**

In order to ensure the proper implementation of Part B(2) of the Project, the Recipient shall enter into arrangements with non-governmental and media organizations in accordance with guidelines acceptable to the Association and elaborated in the Project Implementation Manual, which shall include the following:

1. No such non-governmental or media organization shall receive technical assistance or training under said Part unless and until: (a) it has prepared a



suitable proposal of the technical assistance and training it proposes to receive under said Part, and a time-bound action plan for the application of said assistance and training to specific activities designed to enhance the appropriate monitoring and evaluation of public finances and services and dissemination of the results of said monitoring and evaluation; and (b) the Recipient has endorsed said proposal and determined that said organization has the organization, management, technical capacity and financial resources required to carry out said action plan and furnished said proposal to the Association for its approval; (c) the Association has approved said proposal and action plan; and (d) the Recipient has entered into arrangements acceptable to the Association with said organization, pursuant to which said organization shall undertake to carry out with due diligence such time-bound action plan as shall have been approved by the Recipient and the Association .

2. The Recipient shall exercise its rights and carry out its obligations under each of said arrangements 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 of said arrangements or any of its provisions.

**G. Safeguards.**

The Recipient shall ensure that:

1. all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association's environmental and social safeguards policies, as well as the Recipient's own laws relating to the environment and social aspects; and
2. in drafting any laws or regulations under the Project, due attention will be given to said policies and laws.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, 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, *commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project.* 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.
4. In order to ensure the proper maintenance of the financial management system referred to in paragraph 1 of this Part B and the timely carrying out of the audits referred to in paragraph 3 of this Part B, the Recipient shall, not later than three (3) months after the Effective Date:
  - (a) install and configure, in accordance with guidelines satisfactory to the Association, suitable accounting software procured in accordance with the provisions of Section III of this Schedule; and
  - (b) engage auditors, whose terms of reference, qualifications and experience are satisfactory to the Association, for the purpose, in accordance with the provisions of Section III of this Schedule.

**Section III. Procurement**

**A. General**

1. **Goods and Non-consulting Services.** All goods 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 and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:
  - (a) National Competitive Bidding, subject to the following additional provision, namely that the Recipient shall use the *standard bidding* documents of the Association or other bidding documents agreed with the Association prior to their use;
  - (b) Shopping; and
  - (c) Direct Contracting.

**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 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:
  - (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;
- (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and
- (g) 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.

**E. Procurement Audits**

1. To ensure the proper carrying out of procurement in accordance with this Section III, the Recipient shall ensure that an audit of procurement under the Project is carried out by independent experts, employed in accordance with the provisions of Parts A and C of this Section III, and whose qualifications, experience and terms and conditions of employment shall be acceptable to the Association.
2. Each of the audits performed pursuant to paragraph 1 of this Part E shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project and shall be furnished to the Association not later than six months after the end of such period.

**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:





Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services and consultants' services	1,600,000	19%
(2) Training	800,000	19%
(3) Operating Costs	300,000	19%
(4) Refund of Preparation Advance	600,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>3,300,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2015. 

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 1 and November 1:	
commencing May 1, 2017 to and including November 1, 2026	1.65%
commencing May 1, 2027 to and including November 1, 2036	3.35%

\* 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

### Definitions; Modifications to the General Conditions

#### Section I. Definitions

1. "Annual Work Plan" means each plan referred to in Section I.D of Schedule 2 to this Agreement.
2. "Anti-Corruption Commission" means the Recipient's commission known as "*Commission Nationale de Lutte contre la Corruption, la Concussion et la Fraude*", established and operating pursuant to the Recipient's Decree No. 2004-323 dated July 8, 2004, as amended by its Decree No. 2007-155, dated , February 13, 2007, as the same may be amended from time to time; and any successor thereto.
3. "Anti-Corruption Guidelines" means 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.
4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. "CFA Franc" means the franc of the Central Africa Economic and Monetary Community (CEMAC), whose common central bank is the Bank of Central African States (BEAC).
6. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
7. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
8. "Independent Governance Observatory" means the Recipient's independent organ known as "*Observatoire Anti-corruption*", established and operating pursuant to the Recipient's Law No 16-2007 dated September 19, 2007, as the same may be amended from time to time; and any successor thereto.
9. "Ministry of Finance" means the Recipient's ministry at the time responsible for finance.
10. "Operating Costs" means the incremental expenses incurred on account of Project implementation, consisting of the reasonable expenditures approved by the Association under each Annual Work Plan, for office supplies, vehicle



operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding salaries of officials of the Recipient's civil service).

11. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on January 24, 2012 and on behalf of the Recipient on January 26, 2012.
12. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 20, 2012 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.
14. "Project Counterpart Funds Account" means the account referred to in Section I.C of Schedule 2 to this Agreement.
15. "Project Implementation Manual" means the manual for the implementation of the Project entitled "*Manuel de Procédures Administratives, Financières, Comptables et Budgétaires*", adopted by the Recipient on January 23, 2012 and referred to in Section I.B of Schedule 2 of this Agreement, as the same may be amended from time to time in accordance with the provisions of said Section.
16. "Project Implementation Unit" and "PIU" each means the unit established by the Recipient for the Project pursuant to its order (*Arrêté*) No. 1180 MEFB-CAB dated May 20, 2008, and referred to in Section I.A.2 of Schedule 2 to this Agreement, as said order may be modified from time to time.
17. "Steering Committee" means the steering committee established by the Recipient for the Project pursuant to its Decree No. 2008-60 dated March 31, 2008, and referred to in Section I.A.1 of Schedule 2 to this Agreement, as said decree may be amended from time to time.
18. "Target Ministries" means, collectively, the Recipient's ministries at the time responsible, respectively, for finance, planning, transport, trade, agriculture, energy, civil service, small- and medium-scale enterprises and health; and "Target Ministry" means any one of the Target Ministries.



19. "Training" means the reasonable costs, approved by the Association as part of each Annual Work Plan, associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.

## Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

- A. Section 3.02 is modified to read as follows:

*"Section 3.02. Service Charge and Interest Charge*

- (a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.
- (b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."
- B. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".
- C. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:
- "32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."
- D. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".
- E. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to "Section 3.02" with a reference to "Section 3.02(a)".
- 