Financing Agreement

(SMART Government Project)

between

MONGOLIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 18, 2015
FINANCING AGREEMENT

AGREEMENT dated June 18, 2015, entered into between MONGOLIA ("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 twelve million and six hundred thousand Special Drawing Rights (SDR 12,600,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 March 1 and September 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 Dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Cabinet Secretariat 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 — TERMINATION

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

4.02. 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 V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Finance.

5.02. The Recipient’s Address is:

Ministry of Finance
Government Building II
United Nations Street 5/1
Ulaanbaatar 15015
Mongolia

Facsimile:
976-11-327974
5.03.  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
written. , as of the day and year first above

MONGOLIA

By

Authorized Representative

Name: J. Erdenebat
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: James Anderson
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to use information and communication technologies to improve accessibility, transparency and efficiency of public services in Mongolia.

The Project consists of the following parts:

Part 1 Enhancing Civic Engagement and Citizen Feedback Mechanisms

Expansion and improvement of the Recipient’s citizen call centers in order to enable citizens to collaborate with government in policy and service design and to make public sector data more widely available to the public including:

(a) integration of the Recipient’s central call center with the call center systems of Ulaanbaatar city to increase efficiency and reduce citizen confusion; and

(b) development of a business analytics program aimed at improving and optimizing policy and program decisions and implementation.

Part 2 Enabling Foundations for SMART Government

Establishment of shared open data infrastructure and services that can be used by all agencies and offices of the Recipient to improve service delivery including:

(a) design, development, deployment and use of the national enterprise architecture and interoperability as a business process reengineering tool and the technical basis for the Recipient to link independently developed processes and information systems to enhance its ability to use ICT to offer seamless online services to citizens and businesses;

(b) upgrading of the National Data Center and transitioning it into a national data exchange and cloud computing infrastructure;

(c) establishment of an innovation support program and provision of innovation grants to finance citizen created simple open data and mobile applications in support of specific government objectives in priority sectors, as a mechanism to quickly identify, test, and deploy such applications.

(d) scaling up of the digitization of property registration including expansion of the e-property registration system currently being implemented in the five districts of Ulaanbaatar and eight other Aimag, to the remaining Aimag, and

(e) provision of technical assistance to the Cabinet Secretariat and ITPTA to enhance their capacity to deliver on Mongolia’s SMART Government Program.
Part 3 Enabling Open Data

(a) Design and implementation of an open data initiative in order to create a dynamic, sustainable system, including:

(i) carrying out an open data readiness assessment in order to identify the high-impact entry points for initial investments in open data, both on the supply and demand sides, and development of a targeted, client-specific open data action plan;

(ii) carrying out a review of the policy, legal and institutional framework for open data, in order to (A) ensure that it serves the needs of the Recipient and its citizens; and (B) strengthen the institutional structures critical for the management and coordination of open data;

(iii) supply of data sets in priority initiatives of the government; and

(iv) promotion of demand-driven reuse and co-creation of open data including active engagement with data suppliers and users, provision of training to government officials, citizens and businesses and carrying out a campaign of awareness-raising.

(b) Enhancing the data production capabilities of the National Statistics Office, including development or redesign of its data production infrastructure to improve internal data management and comply with standards and requirements of the national enterprise architecture.

Part 4 Project Implementation Support

Support to project implementation, including establishment of a project implementation unit.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A.  Institutional and Implementation Arrangements

1. The Recipient shall maintain, throughout the period of implementation of the Project, a Project Steering Committee with a mandate, composition and resources satisfactory to the Association. The PSC shall provide strategic guidance to the project and will meet quarterly (at least) to facilitate coordination among agencies, provide overall policy guidance, and review progress reports.

2. The Recipient shall maintain, throughout the period of implementation of the Project, a Project Implementation Unit with qualified staff in adequate numbers, including a Project director, a financial management specialist, a procurement/implementation specialist and other required support staff including translators, communications specialists, and a monitoring and evaluation officer. The PIU shall report to the Cabinet Secretariat and be responsible for Project implementation, including overall Project management, financial management, monitoring, evaluation, and reporting.

3. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and, except as the Association shall otherwise agree in writing, shall not amend, abrogate or waive any provision of the Project Implementation Manual. In the event of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

B. Government Innovation Support Program

1. For purposes of Part 2(c) of the Project, the Recipient shall prepare and thereafter adopt a manual satisfactory to the Association setting out: (a) the organizational structure of the Government Innovation Support Program management; and (b) the selection criteria and the terms and conditions and procedures for Innovation Financing.

2. Without limitation upon the foregoing, the Recipient shall make each Innovation Financing under an Innovation Financing Agreement with the respective Innovation Financing Beneficiary in accordance with the Innovation Financing Manual and under terms and conditions approved by the Association, which shall include those set forth in Annex A to Schedule 2.

3. The Recipient shall submit to the Association, for its review and approval, the first two proposals to be awarded Innovation Financing.
4. No Innovation Financing shall be eligible for financing out of the proceeds of the Financing, unless the respective Innovation Sub-project in respect of which payment is requested has been appraised, approved and administered in accordance with the provisions of the manual referred to in paragraph 1 of this Part B, and the respective Innovation Financing Agreement has been executed on the terms and conditions referred to in paragraph 2 of this Part B.

5. The Recipient shall exercise its rights and perform its obligations under each Innovation Financing 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 in writing, the Recipient shall not assign, amend, abrogate or waive any Innovation Financing Agreement or any of its provisions.

C. Anti-Corruption

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

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 out in Project Implementation Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) 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 or the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association 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 (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 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 methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) National Competitive Bidding, subject to the following additional provisions:

<table>
<thead>
<tr>
<th>Additional Procedures for National Competitive Bidding</th>
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<tbody>
<tr>
<td>(a) Applicable Procurement Procedure</td>
</tr>
<tr>
<td>Bidding shall be conducted in accordance with the Open Bidding Procedure, as defined in Chapter Two of the Public Procurement Law of Mongolia enacted on December 1, 2005 (as amended through June 16, 2011) and related provisions, subject to the following:</td>
</tr>
<tr>
<td>(b) Participation in Bidding and Preferences</td>
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<tr>
<td>(i) Government-owned enterprises in Mongolia shall be eligible to participate in bidding only if they can establish that they are</td>
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</tbody>
</table>
legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Recipient.

(ii) A bidder declared ineligible by the World Bank, based on a determination by the World Bank that the bidder has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing a World Bank-financed contract, shall be ineligible to be awarded a World Bank-financed contract during the period of time determined by the World Bank.

(iii) A firm which has been engaged by the Recipient to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works resulting from or directly related to the firm’s consulting services for such preparation or implementation. This provision does not apply to the various firms which together are performing the contractor’s obligations under a turnkey or design and build contract.

(iv) Prospective bidders shall be permitted to request bidding documents either in person or by mail upon submission of a written application. Bidding documents shall be sold to anyone who is willing to pay the required fee for the bidding documents which shall not exceed the cost of reproduction and delivery of such documents.

(v) Interested foreign bidders from eligible countries shall be allowed to participate without being required to associate or form joint ventures with local bidders. Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders. Mongolian bidders and goods of Mongolian origin shall be given no preference over foreign bidders, either in the bidding process or in the evaluation of bids.

(vi) Prior registration shall not be a requirement for any bidder to participate in bidding.

(vii) Pre-qualification of contractors shall not be required, except in the case of large or complex works and with the prior written concurrence of the World Bank.

(c) Advertising. Time for Bid Preparation
Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing sufficient time, normally a minimum of 30 days, for the preparation and submission of bids. Bidding documents may be distributed electronically provided that the World Bank is satisfied with the adequacy of such electronic system.

(d) **Standard Bidding Documents**

Standard bidding documents, acceptable to the World Bank, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids. Bidders shall be allowed to submit bids by hand, by mail or by courier.

(e) **Assessment of Bidder's Qualification**

Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications shall be conducted separately from the technical and commercial evaluation of the bid. When post qualification is applied, the assessment of bidder's qualifications shall be carried out only after the preliminary and detailed evaluation of bids has been completed by the Recipient and, in doing so, the qualifications of the bidder who has submitted the lowest evaluated substantially responsive bid shall be assessed first. The evaluation of a bidder's qualifications shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction or manufacturing facilities and financial capacity. In carrying out the post-qualification assessment, the Recipient shall exercise reasonable judgment in requesting, in writing, from a bidder only missing factual or historical supporting information related to the bidder's qualifications and shall provide a reasonable time period (that is, a minimum of seven days) to the bidder to provide his response.

(f) **Evaluation Criteria**

Evaluation criteria to be used in the evaluation of bids shall be clearly specified in the bidding documents, and evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used in bid evaluation. The evaluation of bids shall be done in strict adherence to the criteria specified in the bidding documents, and
contracts shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

(g) **Bid Opening and Bid Evaluation**

(i) Bids shall be opened in public, immediately upon the stipulated deadline for submission of bids. Bidder's representatives and the project's beneficiaries from the concerned local community who choose to attend shall be allowed to attend. The name of the bidder and total amount of each bid, including discounts, shall be read aloud and recorded in the Bid Opening Record. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. Immediately after completion of the bid opening proceedings, a copy of the Bid Opening Record shall be posted at a prominent location, accessible to the public, outside the office of the concerned procuring entity and shall be retained at the same location until the award of contract has been notified. A copy of the Bid Opening Record shall be promptly provided to all bidders who submitted bids. With respect to all contracts which are subject to the World Bank's prior review, the Recipient shall provide the World Bank a copy of the Bid Opening Record.

(ii) All bids shall not be rejected or new bids invited without the World Bank's prior written concurrence.

(iii) No bid shall be rejected merely on the basis of a comparison with the owner's estimated cost or budget ceiling without the World Bank's prior written concurrence.

(iv) A bid containing material deviations from or reservations to the terms, conditions or specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened. Bidders shall not be eliminated from detailed evaluation on the basis of non-material, minor deviations or reservations.

(v) Bidders shall be requested to extend the validity of their bids only under exceptional circumstances and, in all such cases, the Recipient shall communicate such request in writing to all bidders before the date of expiry of their bids. In such a case, bidders shall not be requested nor permitted to amend the price...
or any other condition of their bid. Bidders shall have the right to refuse to grant such an extension of the validity of their bids without forfeiting their bid securities, but bidders granting such extension shall be required to provide a corresponding extension of their bid security.

(vi) In the case of contracts of more than eighteen (18) months’ duration, the bidding documents and the resultant contract shall provide for price adjustment, based on a formula acceptable to the World Bank, which shall be disclosed to the bidders in the bidding documents.

(vii) The bid of a bidder which refuses to accept arithmetical corrections made by the Evaluation Committee during the evaluation of its bid shall be rejected.

(viii) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify its bid as originally submitted.

(ix) There shall be no post-bidding negotiations with the lowest evaluated bidder or any other bidder. No bidder shall be required, as a condition for the award of contract, to change his bid price or otherwise materially alter his bid after it has been submitted.

(h) Suppliers, Contractors and Subcontractors

(i) The World Bank shall declare a firm ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the World Bank.

(ii) Bidding documents and contracts under national competitive bidding procedures financed by the World Bank shall include a provision requiring suppliers, contractors and subcontractors to permit the World Bank to inspect their accounts and records relating to the bid submission and the performance of the contract by the suppliers, contractors and/or subcontractors as the case may be, and to have them audited by auditors appointed by the World Bank, if so required by the World Bank. The deliberate and material violation by the suppliers, contractors
or subcontractors of such provision may amount to obstructive practice which is subject to sanctions under the Guidelines.

(i) **Publication of Award of Contract**

The Recipient shall publish the following information on contract award on an accessible website when it becomes operational or on another means of publication acceptable to the World Bank: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract award. This publication shall be updated quarterly.

(j) **Complaints by Bidders and Handling of Complaints**

The provisions of Chapter Seven of the Public Procurement Law of Mongolia on the settlement of disputes shall apply to all World Bank-financed contracts awarded under national competitive bidding procedures.

<table>
<thead>
<tr>
<th>C. <strong>Particular Methods of Procurement of Consultants’ Services</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Quality- and Cost-based Selection.</strong> 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.</td>
</tr>
<tr>
<td>2. <strong>Other Methods of Procurement of Consultants’ Services.</strong> 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) Selection based on Consultants’ Qualifications; (b) Single-source Selection of consulting firms; and (c) Single-source procedures for the Selection of Individual Consultants.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. <strong>Review by the Association of Procurement Decisions</strong></th>
</tr>
</thead>
</table>

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 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 (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Training and Incremental Operating Costs</td>
<td>12,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Innovation Financing</td>
<td>400,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>12,600,000</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 for payments:
   (a) made prior to the date of this Agreement; and
   (b) under Category (2) until the Recipient has prepared and adopted a manual satisfactory to the Association setting out the selection criteria and the terms, conditions and procedures for Innovation Financing.

2. The Closing Date is December 31, 2020.
ANNEX A

to

SCHEDULE 2

Principal Terms and Conditions of the Innovation Financing Agreement

For purposes of Section I.B.2 of Schedule 2 to this Agreement, the Innovation Financing Agreement to be entered into by the Recipient and each eligible Innovation Financing Beneficiary shall reflect, inter alia, the following terms and conditions:

1. The Innovation Financing shall be provided on non-refundable grant terms.

2. The Recipient shall have the right to suspend or terminate the right of the Innovation Financing Beneficiary to use the proceeds of the Innovation Financing, or obtain a refund of all or any part of the amount of the Innovation Financing then withdrawn, upon the Innovation Financing Beneficiary’s failure to perform any of its obligations under the Innovation Financing Agreement.
**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, 2019 to and including March 1, 2029</td>
<td>1.65 %</td>
</tr>
<tr>
<td>commencing September 1, 2029 to and including March 1, 2039</td>
<td>3.35 %</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

1. “Aimag” means a province of the Recipient.


3. “Beneficiary Agencies” means the ITPTA, the Cabinet Secretariat, the NSO, and the General Authority for State Registration, or any successors, acceptable to the Association, to such agencies.

4. “Cabinet Secretary” means the Recipient’s Cabinet Secretary, or any successor thereto.

5. “Cabinet Secretariat” means the Recipient’s Cabinet Secretariat, or any successor thereto.


7. “General Authority for State Registration” means the Recipient’s General Authority for State Registration, or any successor thereto.

8. “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.

9. “Government Innovation Support Program” means the program to be established under Part 2(c) of the Project for the purposes of providing Innovation Financing.

10. “ICT” means information communication technologies.

11. “Incremental Operating Costs” means reasonable expenditures for rental of office space, vehicles’ operation and maintenance, in-country travel allowances for PIU staff, banking services and costs for information dissemination, incurred by the PIU in connection with the management and coordination of the Project, as well as travel allowances and per diem for members of the PSC, which expenditures would not have been incurred absent the Project, but excluding salaries of civil servants.

12. “Innovation Financing Agreement” means the agreement to be entered into between the Recipient and each Innovation Financing Beneficiary providing for
terms and conditions for the provision of an Innovation Financing under Part 2 (c) of the Project, as provided for in Schedule 2, Section I, Part B. 2 of this Agreement.

13. "Innovation Financing Beneficiary" means a person or other entity who or which meets the criteria set out in the Innovation Financing Manual to receive an Innovation Financing and who has been awarded or is proposed to be awarded an Innovation Financing.

14. "Innovation Financing Manual" means the manual to be prepared and adopted by the Recipient as provided for in Schedule 2, Section I, Part B to this Agreement, setting out the selection criteria and terms and conditions for Innovation Financing.

15. "Innovation Financing" means a grant to be made under Part 2(c) of the Project to finance citizen created simple open data and mobile applications in support of specific government objectives in priority sectors.

16. "Innovation Sub-project" means an activity which meets the criteria set out in the Innovation Financing Manual to receive an Innovation Financing and for the support of which an Innovation Financing has been awarded or is proposed to be awarded.

17. "ITPTA" means the Information Technology, Post and Telecommunications Authority of the Recipient, or any successor thereto.

18. "Ministry of Finance" means the Recipient’s Ministry of Finance, or any successor thereto.

19. "National Data Center" means the Recipient’s center, established in 2009 for the purposes of housing the Recipients computerized data.

20. "NSO" means the National Statistics Office of the Recipient, or any successor thereto.


22. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated April 29, 2014 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.

23. "Project Implementation Manual" means the Recipients manual, acceptable to the Association, setting out the PIU’s division of responsibilities, operational systems and procedures, including the PIU’s organizational structure, office operations and
procedures, finance and accounting procedures (including funds flow and disbursement arrangements), and procurement procedures.

24. “Project Implementation Unit” and “PIU” mean the unit established and maintained by the Recipient for the purpose of Project implementation, as provided for in Schedule 2, Section I, Part A.2 of this Agreement.

25. “Project Steering Committee” and “PSC” mean the committee established and maintained by the Recipient for the purpose of providing Project oversight and guidance, as provided for in Schedule 2, Section I, Part A.1 of this Agreement.

26. “Training” means expenditures for training, directly related to the Project, based on an annual budget for such expenditures approved ex-ante in writing by the Association, including expenditures for the purchase and publication of materials, rental of facilities, course fees, honoraria, and travel, accommodation and subsistence of trainees.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. 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.”

2. 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”.

3. 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).”

4. 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”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).