Financing Agreement
(Amended and Restated Financing Agreement)

(Public Sector Capacity and Performance for Service Delivery Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 13, 2016
GRANT NUMBER H931-NE

FINANCING AGREEMENT

AGREEMENT dated December 13, 2016, entered into between REPUBLIC OF NIGER ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

Whereas (A) under an agreement, dated April 29, 2014, between the Recipient and the Association ("Original Grant Agreement") in an amount equivalent twenty-six million and one hundred thousand Special Drawing Rights (SDR 26,100,000) to assist in financing the project described in Schedule I to the Original Grant Agreement ("Original Project");

(B) the Recipient has requested the Association for some specific amendments to the Original Project;

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, with effect as of the Effective Date of this Agreement, to read 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 grant in an amount equivalent to twenty-six million one hundred thousand Special Drawing Rights (SDR 26,100,000) ("Financing"), to assist in financing the project described in Schedule I 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 Payment Dates are February 15 and August 15 in each year.
2.05. The Payment Currency is the Euro.

**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 — EFFECTIVENESS; TERMINATION**

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has recruited, in each case in accordance with the provisions of Section III of Schedule 2 to this Agreement and on the basis of terms of reference, qualifications and experience satisfactory to the Association, the following specialists to work in the PCU:

(i) a Project coordinator;
(ii) a financial management specialist; and
(iii) a procurement specialist.

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

4.03. 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 V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient’s Representative is the Recipient’s Minister responsible for planning.

5.02. The Recipient’s Address is:

Ministère du Plan, de l’Aménagement du Territoire et du Développement Communautaire
B.P. 862
Niamey, Republic of Niger
5.03. 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 248423 (MCI) 1-202-477-6391
Washington, D.C.

AGREED at Niamey, Republic of Niger, as of the day and year first above written.

REPUBLIC OF NIGER

By

Authorized Representative
Name: Mrs Kané Aichatou Boulama
Title: Minister of Plan

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: Siaka Bakayoko
Title: Niger Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to strengthen public finance and human resource management to improve service delivery capacity in selected sectors.

The Project consists of the following parts:

Part 1: Improving Human Resources Management

Carrying out a program of activities aimed at improving the Recipient’s human resources management in relevant ministries and agencies, through inter alia: (a) developing and implementing a national human resources and management strategy; (b) rolling out of an integrated human resources information system at Selected Ministries; (c) carrying out a biometric identification process to register all governmental employees in the Recipient’s territory; (d) establishing a pilot incentive system to improve staff deployment in the education sector; (e) preparing and implementing a strategy to improve teacher pooling in higher education sector; (f) carrying out assessment studies to develop options for the updating of relevant human resource management legislations, regulations, procedures and tools; (g) promoting transparency and accountability in the management of human resources; (h) providing human resource management Training to Selected Ministries’ employees; and (i) carrying out and publishing the results of a service delivery indicator survey for the education and health sector.

Part 2: Strengthening Public Financial Management

(a) Provision of support to improve budget planning and management reform in the Recipient’s territory in the education and health sectors, through inter alia: (i) strengthening tax and custom administration including, VAT related reforms; (ii) developing and implementing a strategy for the implementation of the Recipient’s organic budget law and directives on public finance management; (iii) updating of budget forecasting and planning tools; and (iv) integrating public finance management information technology systems; all through the provision of Training, goods and services for the required purpose.

(b) Provision of support to improve public investment monitoring and evaluation through inter alia: (i) establishing a comprehensive database of public investment programs; (ii) developing assessment tools for said programs required to carry out mandatory preliminary studies, such as feasibility and impact studies; and (iii) carrying out of an evaluation covering public investment programs in the periods of 2014-2019; all
through the provision of Training, goods and services for the required purpose.

(c) Provision of support to improve procurement control in the Recipient’s territory, through *inter alia*: (i) carrying out an evaluation study of the public procurement system; (ii) carrying out assessment studies to develop options for the updating relevant procurement legislation and regulation; (iii) procurement and instalment of a procurement management information system; and (iv) disclosing procurement information, statistics and audits; all through the provision of Training, goods and services for the required purpose.

(d) Improving tax administration, including through: (i) disclosing the results of user surveys of the tax administration performance and supporting user centres to improve their performance; and (ii) developing a VAT reimbursement system.

(e) Provision of support to the Recipient to improve tax and customs administration, through *inter alia*: (i) preparing and implementing a comprehensive action plan for the tax and customs administration reform; (ii) preparing studies and carrying relevant assessment for the updating of relevant legislations, regulations, procedures and manuals; (iii) deploying information technology tools; and (iv) developing performance contracts in the tax and customs administration; all through the provision of Training, goods and services for the required purpose.

(f) Provision of support to improve cash management, treasury payment systems, accounting, control and oversight, through *inter alia*: (i) carrying out surveys on existing relevant legislations; (ii) installing and maintaining information technology tools; (iii) carrying out institutional, performance, management and financial audits; (iv) building capacity in internal and external control in Selected Ministries; (v) the establishment of the Treasury Single Account; and (vi) the operationalization of electronic funds transfer and payment systems.

*Part 3: Change Management*

(a) Carrying out a program for the implementation of change management in the human resources management and public financial management systems; through *inter alia*: (i) upgrading network operations centers; (ii) operationalization of monitoring and evaluation systems; (iii) Training and coaching on leadership and managing results; and (iv) pooling IT systems to ensure a unified system at the Recipient’s Selected Ministries and governmental agencies; all through the provision of Training, goods and services for the required purpose.
(b) Support to the Recipient in the areas of Project coordination, supervision, financial management, communication and outreach, procurement, including through the provision of technical assistance, Training, Operating Costs, goods and services for the required purpose.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain the following institutional arrangements, further described in the Project Manuals, throughout the implementation of the Project:

1. **Steering Committee**
   
   (a) The Recipient has established and shall maintain the Steering Committee with composition and terms of reference satisfactory to the Association.

   (b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Steering Committee shall be chaired by a representative from the MoF and shall be comprised of a representative nominated from each Selected Ministry. It is understood that if the Association participates in the meetings of the Steering Committee, it will not be as a member but as an observer only.

   (c) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Steering Committee shall ensure the overall leadership and oversight of the Project, approving annual work plans and budgets (including related cash forecasts), monitoring implementation and results, approving reports (including progress, financial and audit reports) and recommending corrective measures as necessary.

2. **Project Coordination Unit**

   (a) No later than two (2) months after the Effective Date, the Recipient shall establish within the MoF and thereafter maintain the Project Coordination Unit ("PCU"), with mandate, composition and resources acceptable to the Association. In particular, the Recipient shall maintain at all times sufficient staff, each with terms of reference, qualifications and experience adequate for the Project and satisfactory to the Association.

   (b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the PCU shall be responsible for the provision of support to and consolidation of input from Selected Ministries and financial management of the Project including, *inter alia*, procurement, disbursement, accounting, reporting, monitoring and evaluation.
(c) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the PCU shall include, *inter alia*: (i) a Project coordinator; (ii) a procurement specialist; (iii) a deputy project coordinator; (iv) a monitoring and evaluation specialist; (v) an accountant; (vi) a financial management specialist; and (vii) a procurement assistant.

3. *Ministry implementation team and results team*

(a) No later than two (2) months after the Effective Date, each Selected Ministry shall nominate a technical counterpart. To this end, said technical counterparts shall formulate an implementation team to be responsible for the facilitation and effective coordination between each Selected Ministry and the PCU.

(b) No later than six (6) months after the Effective Date, the Recipient shall formulate a results team, whose members have been nominated by the MoF. To this end, the results team shall be under the Directorate General of Tax and shall be responsible for implementing the reforms supported by the results based financing, identification of activities, manage and monitor project activity implementation, collect data and facilitate communication between the PCU and their respective ministry. The results team shall include *inter alia*: (i) a chair; (ii) an expert responsible for the formulation of the strategies and the reform and program orientation; (iii) an expert responsible for the monitoring and evaluation of the reforms; and (iv) an expert responsible for tax surveillance and analyses. Each expert shall have terms of reference, qualifications and experience adequate for the Project and satisfactory to the Association.

B. *Implementation arrangements for Part 2(d) of the Project*

1. No later than March 31st of each year, until the Closing Date, the Recipient shall provide documentary evidence to the Association: (a) that a budget line (with the indication of the relevant budget codes) for each of the Eligible Expenditures Programs is included in the Recipient’s budget law (and maintained in the successive modifying budget laws); and (b) that there is no change in the EEP included in Part 2.(d) of the Project and in the underlying activities to be supported by the Association under such EEP.

2. Each year, throughout the Project implementation, the Recipient shall record the planned expenditures for each EEP in a specific budget line in its annual budget law and monitor expenditures incurred for each EEP per budget line. The Recipient shall then reflect such expenditures in its annual budget execution law.

3. The Recipient and the Association may jointly review, at the time of preparation of each budget law (and each succeeding modifying budget law), the amounts
assigned per budget code to the EEPs included in Part 2(d) of the Project, and the Recipient shall adjust as needed the budget amounts of any EEP subject to the prior written agreement of the Association.

4. The Recipient shall furnish to the Association on or about March 31st of each year, starting on the first such date after the Effective Date, regular reports (the “EEP Spending and Assessment Reports”) prepared in accordance with the provisions of the Project Manuals, which shall include, _inter alia_, the following:

(a) Each EEP Spending and Assessment Report, submitted as supporting documentation for applications for withdrawals claimed under Category 1, shall have been prepared or reviewed, and in each case certified, by the independent auditor referred to in Section 1.B.5 of Schedule 2 to this Agreement as acceptable in format and content and consistent with the provisions of the Project Manuals.

(b) Each EEP Spending and Assessment Report will contain the following information:

(i) Calculation and demonstration of expenditures eligible for Association financing under the aggregate EEPs.

(ii) Compliance with the Disbursement-Linked Indicator and relevant Disbursement-Linked Results.

5. No later than six (6) months after the Effective Date, the Recipient shall on the basis of terms of reference, qualifications and experience satisfactory to the Association, hire an independent auditor for the purpose of carrying out an annual independent assessment, verification and validation of the performance of the Selected Ministries towards achieving the DLI.

6. Without limitation on the provisions of Article IV of the General Conditions, the Recipient shall carry out the EEPs in accordance with financial management and procurement which are designed to ensure that the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.

7. The Recipient shall ensure that the EEPs exclude any activities which:

(a) in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

(b) involve the procurement of: (1) works; or (2) goods, estimated to cost thirty million USD equivalent or more per contract; (3) information
technology and non-consulting services, estimated to cost twenty (20) million USD equivalent or more per contract; or (4) consultants' services, estimated to cost fifteen (15) million USD equivalent or more per contract.

C. Anti-Corruption

Without limitation on the provisions of Paragraph B.6 of this Section, the Recipient shall ensure that the Project (including the EEPs) is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare a draft annual work plan and budget for the Project except Part 2.d (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall reasonably request.

2. The Recipient shall furnish to the Association, as soon as available, but in any case not later than December 15th of each year, the annual work plans and budgets approved by the Steering Committee, for the Association's review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to a financing from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, inter alia, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.

5. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior approval.

E. Manuals

1. No later than six (6) months after the Effective Date, the Recipient shall update the Project Manuals, each in form and substance acceptable to the Association, for the purpose of implementing the Project.
2. (a) the Recipient shall ensure that the Project is carried out in accordance with the Project Manuals; and (b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any of the Project Manuals, or any provision thereof.

3. In the event of any conflict between the provisions of any of the Project Manuals and those of this Agreement, the provisions of this Agreement shall prevail.

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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. No later than eighteen (18) months after the Effective Date, or at any other date agreed with the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. The Recipient shall prepare and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

B. Financial Management, Financial Reports and Audits

1. (a) 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.

(b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Recipient shall, no later than three (3) months after the Effective Date, set up an accounting software for the Project.
2. 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 timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage independent auditors for the purpose not later than four (4) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.

Section III. Procurement

A. General

1. Goods and Non-consulting Services. Without limitation to the generality of the provisions in Section I.B.6 of this Schedule, 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. Without limitation to the generality of the provisions in Section I.B.6 of this Schedule, 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) Limited International Bidding;

(b) National Competitive Bidding, subject to the following additional provisions:

(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that: (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(ii) Invitations to bid shall be advertised in national newspapers with wide circulation.

(iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents.

(iv) Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.

(v) Eligible bidders, including foreign bidders, shall be allowed to participate.

(vi) No domestic preference shall be given to domestic contractors and to domestically manufactured goods.

(vii) Bids are awarded to the bidder with the lowest bid evaluated proven this bidder is qualified.
(viii) Fees charged for the bidding documents shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

(c) Shopping;

(d) Direct Contracting; and

(e) Procurement from a UN Agency.

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 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) 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) Selection by a UN Agency;

(g) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and

(h) 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.
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"), for Category 1, the Disbursement Linked Indicators and Results for said DLI and the allocation of the amounts of the Financing, and for Category 2, the allocations of the amounts of the Financing the Category, and the percentage of expenditures to be financed for Eligible Expenditures in the Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated in SDR</th>
<th>Percentage of Expenditures to be Financed (excluding taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Aggregate amount allocated to Disbursement Linked Indicator financing of Eligible Expenditure Programs</td>
<td>1,260,000</td>
<td>100% of the amount spent by the Recipient in compliance with the DLI amounts set out in Annex 1 as evidenced by the Eligible Expenditure Report certified by an independent auditor</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, and consultants' services, Training and Operating Costs for the Project (except Part 2(d))</td>
<td>24,839,678</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>322</td>
<td>100%</td>
</tr>
<tr>
<td>Total Amount</td>
<td>26,100,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. (a) Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement; and

(b) no withdrawal shall be made for payments made under Category 1 and the table under Annex 1 unless:

(i) the relevant EEP Spending and Assessment Report has been submitted to, and found satisfactory by, the Association; and

(ii) the Disbursement-Linked Result has been met by the Recipient satisfactory to the Association.

2. The Association may, at its option, authorize that the unwithdrawn portion of the Financing resulting from this lack of evidence be carried forward to the subsequent withdrawals, provided that, if this occurs, the amount to be disbursed by the Association, in the aggregate under all subsequent withdrawals, shall not exceed 100% of the sum of the total amounts of EEPs.

3. Notwithstanding Part B.1. of this Section, if any DLR under Category (1) has not been achieved, the Association may, by notice to the Recipient:

(a) reallocate all or portions of proceeds of the Financing to any other DLR; and/or

(b) cancel all or portions of the proceeds of the financing allocated to said DLR.

4. If the Association determines, at any time, that any portion of the amounts disbursed by the Recipient under Category (1) was made for reimbursement of expenditures that are not eligible under the EEPs, the Recipient shall promptly refund any such amount to the Association as the Association shall specify by notice to the Recipient.

5. The Closing Date is December 31, 2020.
Annex 1

Disbursement Linked Indicators

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator (DLI)</th>
<th>Disbursement Linked Result (DLR)</th>
<th>Amount Allocated (SDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key reforms of the tax administration</td>
<td>DLR 1.1: The tax reform unit in the Directorate General of Tax (Direction Générale des Impôts) in the MoF has been operationalized with appropriate staffing.</td>
<td>180,000</td>
</tr>
<tr>
<td></td>
<td>DLR 1.2: A strategic action plan for the Directorate General of Tax (Direction Générale des Impôts) has been adopted</td>
<td>360,000</td>
</tr>
<tr>
<td></td>
<td>DLR 1.3: Ministerial decision have been adopted to operationalize VAT reimbursement system.</td>
<td>360,000</td>
</tr>
<tr>
<td></td>
<td>DLR 1.4: The results of the User Survey of the Performance of the Tax Administration published on MoF website and at least one local newspaper.</td>
<td>360,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1,260,000</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. "Annual Work Plans and Budgets" means the annual work plans and budgets (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.D of Schedule 2 to this Agreement.


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


5. "Disbursement-Linked Indicator" or "DLI" means the disbursement-linked indicator as specified in Section in column 1 of the table under Annex I to this Agreement, and further described in the Project Manuals.

6. "Disbursement-Linked Result" or "DLRs" each means the target result referred to in column 2 of the table in Annex 1.

7. "Directorate General of Tax" means the Recipient’s directorate responsible for taxing or any successor thereto.

8. "EEP Spending and Assessment Report" means any report prepared by the Recipient in accordance with the Project Manuals and referred to in Section I.B.4 of Schedule 2 to this Agreement on the spending status of the Eligible Expenditures Programs under Part 2(d) of the Project and the level of achievement of the DLI.

9. "Eligible Expenditures Program" or "EEP" means a set of expenditures for the implementation of the Program, consisting of goods, consultant services, non-consultant services, operating costs and training incurred by the Recipient for the implementation of Part 2(d) of the Project and financed through relevant budget lines in accordance with the Recipient’s budget law as further described in the Project Manuals.


to this Agreement, containing *inter alia*, financial, administrative and accounting procedures applicable to the Project, as such manual may be amended from time to time in prior written agreement with the Association, and such term includes any schedule to the Project Manual of Financial, Accounting and Administrative Procedures.

12. “MoF” means *Ministère des Finances*, the Recipient’s ministry responsible for finance or any successor thereto.

13. “Operating Costs” means the reasonable incremental operating expenses, based on Annual Work Programs and Budgets approved by the Association, incurred by PCU on account of Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel and supervision costs, per diem, additional staff costs, but excluding the salaries of officials and public servants of the Recipient’s civil service.

14. “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 March 5, 2014, and on behalf of the Recipient on March 5, 2014.


16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 27, 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.

17. “Project Implementation Manual” means the Recipient’s manual to be updated in accordance with Section I.E.1 of Schedule 2 to this Agreement, setting out implementation, organizational, monitoring and evaluation, risk mitigation, and fiduciary mechanisms for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.


19. “Selected Ministries” means, the ministries responsible for finance, planning, health, education and civil service and “Selected Ministry” means any of the Selected Ministries
20. "Training" means the training of persons involved in Project-supported activities, based on Annual Work Programs and Budgets approved by the Association, such term including seminars, workshops, conference and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs of securing the services of trainers, rental of training facilities, preparation and reproduction of training materials and other costs directly related to course preparation and implementation.


22. "VAT" means the Recipient's value added tax.