H.E. Henry Yav Mulang  
Minister in charge of Finance  
Ministry of Finance  
Boulevard du 30 juin  
Commune de la Gombe  
Kinshasa I  
Democratic Republic of Congo

Excellency:

Re: Amendment to the Grant Agreement for the Public Financial Management and Accountability Project  
(Multi-Donor Trust Fund TF017290)

We refer to the Grant Agreement ("Agreement") for the Public Financial Management and Accountability Project, between the Democratic Republic of Congo (the "Recipient") and the International Development Association (the "World Bank"), acting as administrator of the Multi-Donor Trust Fund for Public Financial Management Accountability in the Democratic Republic of Congo (the "MDTF") dated May 28, 2014.

We are pleased to inform you that, pursuant to the decision of the United Kingdom Department for International Development (the "Donor") to provide a supplemental contribution to the MDTF, the World Bank suggests to amend the Agreement as follows:

1. Section 3.01 of the Agreement is amended to read as follows:

   "The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million five hundred thousand United States Dollars ($6,500,000) ("Grant") to assist in financing the Project."

2. Schedule 1 to the Agreement (Project Description) is amended to read as per Attachment 1 to this Amendment Letter.

3. The disbursement table appearing in Section IV.A.2 of Schedule 2 to the Agreement is modified as per the table appearing in Attachment 2 to this Amendment Letter.
4. The Closing Date in Section IV B.2 of Schedule 2 to the Agreement is extended until December 31, 2018.

5. The following definitions are added in the Appendix to the Agreement to read as follows:

28. "Medium Term Budget Framework" means a multi-year consideration of the budget including both revenue and expenditures projections, as referred to under the Recipient’s public financial management program (the “Program” as defined in the Agreement).

29. "Medium Term Expenditures Framework" means a multi-year consideration of public expenditures related to projects or programs implemented for more than a year, as referred to under the Recipient’s public financial management program (the “Program” as defined in the Agreement).

All terms of the Agreement not hereby amended shall remain in full force and effect.

Please confirm your acceptance with the foregoing by signing and dating the two enclosed originals, retaining one original for your records and returning the other to the Association. Upon receipt by the Association of the copy of this Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Ahmadou Moustapha Ndiaye  
Country Director for the Democratic Republic of Congo  
Africa Region

AGREED:
Democratic Republic of Congo

By:  
Authorized Representative

Name: Henri YAV MULANG  
Title: Directeur de Finance  
Date: 24 October 2015
Attachment 1

Revised Project Description

The objective of the Project is to enhance the credibility, transparency, and accountability in the management and use of the Recipient’s central and selected sub-national public finances.

Component 1: Improving Budget Planning and Execution Processes

Support the Recipient's to empower its Line Ministries in the budget planning and execution process and improve cash management and internal audits through the:

1.1. Enhancement of Budget Planning and Programming by:

   (i) Supporting the improvement of the macro fiscal framework;
   (ii) Improving public debt management;
   (iii) Supporting the development of sectors strategy and policy;
   (iv) Supporting the implementation of Medium Term Budget Framework and Medium Term Expenditures Framework; and
   (v) Supporting the development of performance-based budgeting and program budgeting.

1.2. Devolution of Commitment Authority and Accountability to Line Ministries by:

   (i) Supporting the establishment of administrative and financial directorates in Line Ministries and strengthening the capacity of their staff;
   (ii) Strengthening the Technical Inspection Offices in the Line Ministries;
   (iii) Strengthening the capacities of the budgetary comptrollers assigned to the Line Ministries;
   (iv) Supporting the implementation of the newly adopted Accounting Regulation;
   (v) Developing a master plan for the devolution of commitment authority to Line Ministries, including supporting the piloting of the plan in five selected Line Ministries; and
   (vi) Creating broad consensus and identify key incentives for successful implementation of the devolution of commitment authority to Line Ministries.

1.3. Enhancement of Cash Management by:

   (i) Harmonizing the outputs in the Recipient's procurement plans;
   (ii) Harmonizing the outputs in the Recipient's commitment plans; and
   (iii) Integrating data to have reliable cash position forecasting tool and improve the availability, quality, and consistency of information flows used to prepare a projection matrix to produce a reliable cash plan.
1.4. **Strengthening of the Office of the Inspector General of Finance through:**

(i) The revision of the institutional framework of the Office of the Inspector General of Finance;
(ii) The strengthening of the capacities of the Office of the Inspector General of Finance;
(iii) The conducting of at least one performance audit in selected Line Ministries; and
(iv) The acquisition of security and computer hardware and equipment.

**Component 2: Strengthening External Budget Audit and Transparency**

Support the Recipient to enhance its external oversight in the management of public finances through the:

2.1. **Strengthening of External Audit Processes, Technical Capacity and Effectiveness of the Cour des Comptes by:**

(i) Supporting the implementation and dissemination of the *Cour des Comptes* Organic Law;
(ii) Supporting capacity building for its staff;
(iii) Improving coordination between the *Cour des Comptes* and the Office of the Inspector General of Finance; and
(iv) Improving its information system and its public account review.

2.2. **Strengthening of the Legislative Oversight, Public Access to Information and the Ex-ante and Ex-post Auditing Mission of the Economies and Finance Committees in the National Assembly and the Senate by:**

(i) Improving the technical capacity of said committees;
(ii) Upgrading their information systems; and
(iii) Supporting the restructuring of said committees.

2.3. **Improving Accessibility to Budgetary Information and Strengthening Citizen control by:**

(i) Facilitating civil society's access to discussions on the strategic budget framework;
(ii) Strengthening citizen control of budget execution, as regards both payment of expenses and revenue collection, access to information, outreach, and the dissemination of budget and tax documents;
(iii) Preparing mechanisms to monitor the adoption of the laws that are essential for improving the budgetary environment; and
(iv) Preparing and implementing instruments to establish participatory budgets in Territorial Decentralized Entities in close collaboration with their respective Provinces.

Component 3: Strengthen the Public Sector and the Public Financial Management Systems at Provincial Level

Support the Recipient to improve financial management systems and public services in the Recipient’s Provinces of Equateur, Kinshasa, Kasai-Oriental, and North Kivu (when the security situation will permit) or any other Recipient’s Province, through the:

3.1. Building of Public Sector and Financial Management Systems in the Province of Equateur by:
   (i) Strengthening the capacities of the Provincial Assembly;
   (ii) Strengthening the provincial institutional and technical capacities, including the institutional and technical capacities of the General Directorate of Revenue of the Province of Equateur;
   (iii) Supporting the operation of the Steering and Monitoring Committee for Local Public Finance Reform; and
   (iv) Supporting the development of a participatory budgeting and budget control by the provincial citizens.

3.2. Building of Public Sector and Financial Management systems in the Province of Kasai-Oriental by:
   (i) Strengthening the capacities of the Provincial Assembly;
   (ii) Strengthening the provincial institutional and technical capacities, including the institutional and technical capacities of the General Directorate of Revenue of the Province of Kasai-Oriental;
   (iii) Establishing a provincial audit section;
   (iv) Supporting the operation of the Steering and Monitoring Committee for Local Public Finance Reform; and
   (v) Supporting the development of a participatory budgeting and budget control by the provincial citizens.

3.3. Building of Public Sector and Financial Management Systems in the Province of North Kivu by:
   (i) Strengthening the capacities of the Provincial Assembly;
   (ii) Strengthening the provincial institutional and technical capacities, including the institutional and technical capacities of the General Directorate of Revenue of the Province;
   (iii) Establishing a provincial audit section;
   (iv) Supporting the operation of the Steering and Monitoring Committee for Local Public Finance Reform; and
(vi) Supporting the development of a participatory budgeting and budget control by the provincial citizens.

**Component 4: Project Management**

Support COREF for the coordination, administration, communication, financial management, procurement, monitoring and evaluation, audit, and dissemination of the Project's activities at both central and local levels.
## Revised Disbursement Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed by the Grant (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, works, non-consulting services, consultants’ services,</td>
<td>3,500,000</td>
<td>Such percentage as shall be specified in the Annual work Program for the respective Fiscal Year</td>
</tr>
<tr>
<td>Operational Costs, Workshops and Training for the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Goods, works, non-consulting services, consultants’ services,</td>
<td>3,000,000</td>
<td>Such percentage as shall be specified in the Annual work Program for the respective Fiscal Year</td>
</tr>
<tr>
<td>Operational Costs, Workshops and Training for the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,500,000</td>
<td></td>
</tr>
</tbody>
</table>