Amendment No. 2 to the Administration Arrangement between the United Kingdom Department for International Development and the International Bank for Reconstruction and Development and the International Development Association regarding the Multi Donor Trust Fund for Public Financial Management Accountability in the Democratic Republic of Congo Multi-donor Trust Fund (No. TF072166)

1. Reference is made to the Administration Arrangement between the United Kingdom Department for International Development ("DFID" or the "Donor") and the International Bank for Reconstruction and Development and the International Development Association (collectively, the "Bank" and together with the Donor, the "Parties" and each a "Party"), regarding the Multi-Donor Trust Fund for Public Financial Management Accountability in the Democratic Republic of Congo Trust Fund No. TF072166 (the "Trust Fund") effective as of February 20, 2014, as amended (the "Administration Arrangement").

2. The Bank acknowledges that the Donor agrees to provide a supplemental contribution in the amount of four million Euros (€4,000,000) (the "Contribution") for the Public Financial Management Accountability in the Democratic Republic of Congo Multi-Donor Trust Fund No. TF072166 (the "Trust Fund") in accordance with the terms of this Amendment.

3. The Donor will deposit the Contribution in accordance with the following schedule and in the currency specified in section 2 above into such bank account designated by the Bank (each amount deposited referred to as an ("Installment") upon submission of a payment request by the Bank:

   (A) By April 1, 2015 – €572,000
   (B) By July 1, 2015 – €193,000
   (C) By October 1, 2015 – €319,000
   (D) By April 1, 2016 – €572,000
   (E) By July 1, 2016 – €193,000
   (F) By October 1, 2016 – €319,000
   (G) By January 1, 2017 – €168,000
   (H) By April 1, 2017 – €294,000
   (I) By July 1, 2017 – €168,000
   (J) By October 1, 2017 – €294,000
   (K) By January 1, 2018 – €168,000
   (L) By April 1, 2018 – €168,000
   (M) By July 1, 2018 – €168,000
   (N) By October 1, 2018 – €168,000
   (O) By January 1, 2019 – €160,000
   (P) By April 1, 2019 – €76,000

4. Additionally, the Parties agree to the following amendments to the Administration Agreement:

   A. The Donor Contact in paragraph 6 will be deleted and replaced with the following:
For the Donor (the “Donor Contact”)

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Deputy Programme Manager Governance team  
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83 Ave du Roi Baudoin, Kinshasa. PO Box 8049  
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B. Section 2.2 of paragraph 2 of Annex 1 is deleted and replaced with the following:

2.2 Recipient-executed Trust Fund components for which the Recipient has implementation responsibility:

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 (MTBF) 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 Economics and Finance Committees in the National Assembly and the Senate by:

(i) improving the technical capacities 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 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 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
(v) 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.

5. All other terms of the Administration Arrangement will remain the same.

6. The Bank will disclose this Amendment in accordance with the Bank’s Policy on Access to Information. By entering into this Amendment, the Donor consents to such disclosure.

7. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Amendment and act in accordance with these terms and conditions. The Parties are requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment, this Amendment will become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Ahmadou Moustapha Ndiaye
Country Director, Democratic Republic of Congo
Date: 24 March 2015

UNITED KINGDOM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT - DFID

By: 
Name: Charlotte Duncan
Title: Acting Head of Office, DFID
Date: 31/03/15