March 30, 2012

His Excellency Mr. Sidi Ould Tah
Minister of Economic Affairs and Development
Ministry of Economic Affairs and Development
B.P. 238
Nouakchott
Islamic Republic of Mauritania

Excellency:

ISLAMIC REPUBLIC OF MAURITANIA: Credit No. 4218-MAU
(Public Sector Capacity Building Project)
Amendment to the Financing Agreement

We refer to the Financing Agreement (the Agreement), dated July 19, 2006, for the above-mentioned Project, between the Islamic Republic of Mauritania (the Recipient) and the International Development Association (the Association). We also refer to your letter no. 1811/MAED/M, dated February 26, 2012, requesting, inter alia: (i) a revision of the description of the Project which better reflects the Recipient’s current strategy; (ii) as a result of (i) above, a revision of the Project’s performance indicators; and (iii) a reallocation of the funds among categories in the disbursement table. Capitalized terms used in this amendment letter and not otherwise defined herein have the meaning ascribed to them in the Agreement.

We are pleased to inform you that the Association accedes to your request. The Association proposes to amend the Agreement as follows:

1. Schedule 1 to the Agreement (Project Description) is deleted and replaced by the new Schedule 1 attached to this Letter.

2. In Schedule 2 to the Agreement (Project Execution), Section II.A.1 is deleted in its entirety and replaced with the following language:

   “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 one month after the end of the period covered by such report.”
3. In Schedule 2 to the Agreement (Project Execution), the table in Section IV.A.2 is deleted in its entirety and replaced with the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services, and training expenditures for the Project</td>
<td>8,570,000</td>
<td>100% of foreign expenditures and 100% of local expenditures taxes excluded</td>
</tr>
<tr>
<td>(2) Refund of Project Preparation Advance</td>
<td>530,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,100,000</td>
<td></td>
</tr>
</tbody>
</table>

4. In the Appendix to the Agreement (Definitions), the following new definition is inserted respecting the alphabetical order and the successive definitions are renumbered accordingly.

"Minor Works" means small refurbishment works for the adaptation of existing buildings, which do not trigger the Bank Safeguard Policies."

5. In the Appendix to the Agreement (Definitions), the following new definition is inserted respecting the alphabetical order and the successive definitions are renumbered accordingly.

"Bank Safeguard Policies" mean the Bank’s operational policies and procedures set forth in the Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under www.WorldBank.org/opmanual."

All other provisions of the Agreement except as amended herein, shall remain in full force and effect.

This amendment shall become effective as of the date of its countersignature by the Recipient.
Please confirm your agreement to the amendment by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records.

Sincerely,

Vera Songwe
Country Director for Mauritania
Africa Region

AGREED:

ISLAMIC REPUBLIC OF MAURITANIA

By:
His Excellency Mr. Sidi Ould Tah
Minister of Economic Affairs and Development

Date: 11 AVR 2012
NEW SCHEDULE 1

Project Description

The objectives of the Project are to assist the Recipient in implementing key reforms to improve performance, efficiency and transparency of public resources management on the territory of the Recipient.

The Project consists of the following parts:

Part A: Improvement of Public Finance Management, including through support to: (1) strengthening resource mobilization; (2) improving budget presentation and planning; (3) improving budget execution and accounting; (4) strengthening efficiency of expenditure; (5) decentralizing public finance management, including in Nouadhibou and Rosso; (6) providing technical assistance for public procurement reform; (7) providing technical assistance to the public finance reform unit of the Recipient’s Ministry of Finance; and (8) supporting the population census.

Part B: Support to Local Development, through: (1) strengthening the Recipient’s Ministry of Interior, Posts and Telecommunications, including: (i) the General Directorate of Local Government (Direction Générale des Collectivités Locales); (ii) the Directorate of Territorial Administration (Direction de l’Administration Territoriale); and (iii) support to communication and information; and (2) improving local development management, including in the two pilot areas, Nouadhibou and Rosso.

Part C: Strengthen environment, including through support to: (1) the creation and operation of a consultation framework for the establishment of a cross cutting organization responsible for environment management in accordance with the National Action Plan for the Environment (Plan d’Action National pour l’Environnement –PANE); (2) capacity building and rehabilitation of the premises of the Recipient’s Ministry of Environment through Minor Works; and (3) support to the implementation of the sector strategy and the identification of funding related to climate change.

Part D: Strengthening the Recipient’s Human Resources’ management capacities, including through support to: (1) the development of human resources management capacity in the Recipient’s civil service; (2) the modernization of the Recipient’s human resources management tools; and (3) functional reviews for the Recipient’s Ministry of Finance and the Recipient’s Ministry of Civil Service.

Part E: Support to Project implementation, monitoring and evaluation.