Loan Agreement

(Revenue Administration Modernization Project)

between

ROMANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated May 8, 2013
LOAN AGREEMENT

Agreement dated \text{\textit{April 1, 2013}}\text{,} between ROMANIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank 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—LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of seventy million Euro ($70,000,000) ("Loan"), to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are April 1 and October 1 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unw withdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding...
from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III—PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the National Agency for Fiscal Administration (NAFA) in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause NAFA to ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV—REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

   (a) The NAFA’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the NAFA to perform any of its obligations under the Project.

   (b) A situation has arisen which shall make it improbable that the Project Implementation Plan, or a significant part of it, will be carried out.

4.02. The Additional Events of Acceleration consist of the following: (a) any event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 120 days after notice of the event has been given by the Bank to the Borrower; and (b) any event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.
ARTICLE V—TERMINATION

5.01 The Effectiveness Deadline is the date one hundred and fifty (150) days after the date of this Agreement.

ARTICLE VI—REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Borrower’s Representative is the Borrower’s Minister of Public Finance.

6.02. The Borrower’s Address is:

Ministry of Public Finance
17, Apolodor Street
Bucharest
Romania

Facsimile:
+(402) 131 21630

6.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at BUCHAREST, as of the day and year first above written.

ROMANIA

By

Authorized Representative

Name: DANIEL CHITOIU
Title: VICE PRIME MINISTER MINISTER OF PUBLIC FINANCE

By

Authorized Representative

Name: LIVIU VOINEA
Title: MINISTER DELEGATE FOR BUDGET

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: MAMTA MURTHI
Title: COUNTRY DIRECTOR CENTRAL EUROPE AND THE BALTIC COUNTRIES
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) increase effectiveness and efficiency in collection of taxes and social contributions; (b) increase tax compliance; and (c) reduce the burden on taxpayers to comply.

The Project consists of the following parts:

Part A: Institutional Development

1. Provision of Goods, Consultants’ services, non-consulting services and Training to support NAFA’s organizational development by improving its management systems and analytical processes.

2. Provision of Goods, Consultants’ services, non-consulting services and Training to support and strengthen NAFA’s internal control, internal public audit and integrity function in line with the objectives of the National Anticorruption Strategy already under implementation within NAFA.

3. Provision of Consultants’ services and Training to support and strengthen NAFA’s human resources and training systems and strategies with regard to, among others, recruitment, selection and hiring procedures, performance incentive systems, workforce strategic planning, management development, curriculum project, short- and long-term needs, and provide training infrastructure to meet the operational and technical needs of NAFA.

4. Provision of Consultants’ services, non-consulting services and Training to assist NAFA to: (a) examine existing legislation and regulations to promote compliance with taxation and social contribution legislation and regulations while recognizing the taxpayers/contributors' rights and obligations and propose to MOPF and other governmental bodies improvements in the legal and institutional framework; (b) promote uniformity in the application of tax legislation, and (c) institute an improved administrative appeals process for NAFA.

5. Provision of Consultants’ services and Training to support and strengthen NAFA’s business process re-engineering in line with a significant business process re-engineering effort, taking full advantage of the functionality of the market solutions for revenue management, quality assurance approach, and the balanced score card system designed by the MOPF.

Part B: Increasing Operational Effectiveness and Efficiency

1. Provision of Goods, Consultants’ services, non-consulting services and Training to improve NAFA’s operational functions with regard to tax audit, documentary control, anti-fraud, business fiscal intelligence, enforcement, registration, declaration and payment processing, and high-volume revenue processing in line with international best practices, particularly those followed in the European Union member states, and business process reengineering.

2. Provision of Goods, Consultants’ services and non-consulting services to support the modernization and enhancement of businesses processes and workflows through: (a) the
development, installation and implementation of appropriate revenue management systems; (b) the carrying out of an evaluation of the NAFA’s existing and planned IT assets, applications, communications and networking infrastructure, and physical facilities, the development of an effective comprehensive long term information system and communication technology architecture and strategy for NAFA, and the development of appropriate hardware and software requirements; (c) the development, improvement and implementation of a core revenue management system, data warehouse, and backup, security and disaster recovery capacity; (d) the provision of management software; and (e) provision of train-the-trainers Training on the new software applications.

3. Provision of Goods, Consultants’ services, non-consulting services and Training to develop and implement information technology infrastructure.

Part C: Taxpayer Services and Corporate Communication

Provision of Goods, Consultants’ services, non-consulting services and Training to: (a) modernize taxpayer services; (b) implement mechanisms for transparency and accountability, such as consultative technical panel and community surveys, to ensure fair community input; (c) modernize service delivery channels to provide advanced services to taxpayers; (d) promote community understanding of revenue laws, procedures and rights and obligations of taxpayers; (e) promote taxpayer efficiency through simplification and provision of electronic services; and (f) strengthen external and internal communication.

Part D: Project Coordination and Management

Provision of Goods, Consultants’ services, including external audit, Training and Operating Costs for the PMU to carry out Project management activities of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall cause NAFA to establish by not later than 120 days following the Effective Date and thereafter maintain, throughout the implementation of the Project, a Coordination Council (CC), chaired by the Minister of Public Finance of the Borrower and including high-level representatives of NAFA and the Social Houses, with terms of reference, composition and resources satisfactory to the Bank, which shall, among other functions, be responsible for providing overall strategic guidance for the Project.

2. The Borrower shall cause NAFA to be responsible for the: (a) overall management, coordination and facilitation of the implementation of the Project; (b) submission of the progress reports for the Project prepared by the PMU; (c) follow-up on the orientations and recommendations of the CC; and (d) ensure coordination among the various stakeholders of the Project.

3. The Borrower shall cause NAFA to establish by not later than 120 days following the Effective Date and thereafter maintain throughout the implementation of the Project, a Consultative Technical Panel (CTP), with terms of reference, composition and resources satisfactory to the Bank, which shall meet at least twice a year and shall be responsible for providing feedback to NAFA on institutional changes supported by the Project and facilitate external accountability.

4. Upon the start of the Project activities, the Borrower, shall cause NAFA to establish and thereafter maintain throughout the implementation of the Project, a Project Implementation Committee (PIC), with terms of reference, composition and resources satisfactory to the Bank, which shall be responsible for: (a) providing monitoring with regard to the implementation of the Project Implementation Plan and the impact of institutional changes carried out under the Project; and (b) validating the progress reports prepared by the PMU’s administration team.

5. The Borrower shall cause NAFA to maintain, throughout the implementation of the Project, the Project Management Unit (PMU) with terms of reference, composition and resources satisfactory to the Bank, which shall be responsible, inter alia, for the: (a) day-to-day financial management of the Project, including audits; (b) monitoring and evaluation of Project activities; (c) carrying out of the procurement of the Project and prepare the updates to the procurement plan; (d) provide oversight of any Training activity carried out under the Project; (e) overall coordination and facilitation of the implementation of the Project; (f) preparation of the draft annual budget proposal of the Project; (g) preparation of the progress reports for the Project; and (h) follow-up on the orientations and recommendations of the CC. As part of the PMU, the Borrower shall cause NAFA to establish a Project administration team and a change management team each with terms of reference, composition and resources satisfactory to the Bank.

6. The Borrower shall cause NAFA to establish by not later than the start of the respective Project activities, and thereafter maintain throughout the implementation of said activities of the Project, an implementation team for each one of the components of the Project (except for Part D of the
Project) within NAFA, each with terms of reference, composition and resources satisfactory to the Bank, which shall be responsible for assisting NAFA in the day-to-day implementation of the activities of the Project in the following areas: organization development, human resources management and training, management information system (MIS) and strategic management, audit and enforcement, internal public audit and internal control, taxpayer services and communications, business process reengineering, revenue management system, information technology and infrastructure, and legal and appeal processes.

B. Anti-Corruption

The Borrower shall cause NAFA to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Project Operational Manual

1. Except as the Bank shall otherwise agree, the Borrower shall cause the Project to be carried out by NAFA in accordance with the Project Operational Manual, and except as the Bank shall otherwise agree, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Bank.

2. In the event of any conflict between the provisions of the Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Project Implementation Plan

1. Except as the Bank shall otherwise agree, the Borrower shall cause the Project to be carried out by NAFA in accordance with the Project Implementation Plan, and except as the Bank shall otherwise agree, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Bank.

2. In the event of any conflict between the provisions of the Project Implementation Plan and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and cause NAFA to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank as follows: (a) a semi-annual Project Report covering the period of the first calendar semester of each year throughout the implementation of the Project; (b) an annual Project Report covering the period of the calendar year, each year throughout the implementation of the Project (except for the first year of the Project which shall cover the period from the signing of this Agreement to December 31, 2013), and which shall all be furnished to the Bank not later than forty-five days after the end of the period covered by such report.
2. The Borrower shall:

(a) at the request of the Bank, exchange views with the Bank with regard to the progress of the Project, the performance of its obligations under this Agreement, and promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the objectives of the Project, or the performance of its obligations under this Agreement;

(b) on or about thirty (30) months after the Effective Date, carry out jointly with the Bank, a midterm review of the progress made in carrying out the Project (the Midterm Review), to cover, amongst other matters, progress made in meeting the Project's objective; and overall Project performance against Project performance indicators;

(c) cause NAFA to prepare and, at least four weeks prior to the Midterm Review, furnish to the Bank a report describing the status of implementation of each component of the Project and a summary report of Project implementation generally; and

(d) no later than four weeks after the Midterm Review, cause NAFA to prepare and submit to the Bank an action program, acceptable to the Bank, for the further implementation of the Project having regard to the findings of the Midterm Review and, thereafter, implement such action program.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause NAFA to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause NAFA to prepare and furnish to the Bank not later than forty five 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 Bank.

3. The Borrower shall cause NAFA to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Bank not later than six 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 Loan 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 Loan 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 Bank of particular contracts refer to the corresponding methods 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 procedures.

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) National Competitive Bidding subject to the following additional provisions: goods and non-consulting services contracts may be procured in accordance with the Borrower's national law and regulations to the extent they are acceptable to the Bank; (b) Shopping; and (c) Direct Contracting.

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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.
Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank 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 Loan ("Category"), the allocation of the amounts of the Loan 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 Loan Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, Consultants’ services, including audit, Training and Operating Costs of the Project</td>
<td>70,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>70,000,000</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:

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; and

   (b) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed one million euro (€1,000,000) equivalent may be made for payments made prior to this date but on or after March 30, 2013 for Eligible Expenditures.

2. The Closing Date is March 31, 2019.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1 beginning October 1, 2018 through October 1, 2024</td>
<td>7.140%</td>
</tr>
<tr>
<td>On April 1, 2025</td>
<td>7.180%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


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

3. “Consultants” means the consultants described in the Consultant Guidelines (as defined hereinafter) including a variety of private and public entities such as consulting firms, engineering firms, management firms, auditors, multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations (NGOs), and individuals.


5. “Consultative Technical Panel” or “CTP” means the Borrower’s committee to be established pursuant to and as described in Part A.3 of the Schedule 2 to this Agreement.

6. “Coordination Council” or “CC” means the Borrower’s committee to be established pursuant to and as described in Part A.2 of the Schedule 2 to this Agreement.

7. “Fiscal Year” means the period between January 1 and December 31 for each calendar year throughout the implementation of the Project.


9. “Goods” means the goods described in the Procurement Guidelines (as defined hereinafter) including commodities, raw material, machinery, equipment, vehicles, and industrial plant.

10. “Ministry of Public Finance” or “MOPF” means the Borrowers’ Ministry of Public Finance or its successor thereof.

11. “NAFA” means the Borrower’s National Agency for Fiscal Administration established pursuant to the NAFA Legislation (as described hereunder).


14. “Non-Consultant Services” means the non-consultant services described in the Procurement Guidelines (as defined hereinafter) including the non-consulting services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied, such as drilling, aerial photography, satellite imagery, mapping, and similar operations.

15. “Operating Costs” means the incremental expenses incurred by the Borrower on account of Project implementation, management, and monitoring, for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, translation, travel and supervision (including supervision activities in connection with the Project, salaries of contractual and temporary staff, but excluding salaries, fees, and bonuses of members of the Borrower’s civil service).


17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated March 19, 2013 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.

18. “Project Implementation Committee” or “PIC” means the Borrower’s committee to be established pursuant to and as described in Section I, Part A.4 of Schedule 2 to this Agreement.

19. “Project Implementation Plan” means the NAFA’s plan dated March 29, 2013 to delineate the various milestones and steps that need to be accomplished under the Project, under Section II.D of Schedule 2 to this Agreement.

20. “Project Management Unit” or “PMU” means the unit established within the NAFA pursuant to the NAFA’s Orders 837 dated November 27, 2012 and NAFA’s Order 301 dated March 18, 2013, as described in Section I, Part A.5 of the Schedule 2 to this Agreement.

21. “Project Operational Manual” means the manual dated March 29, 2013 outlining, inter alia, responsibilities, procurement and contracting procedures, and procedures for preparation of annual Training plans for the implementation of the Project, and such term includes any schedules to the manual, under Section I.C of Schedule 2 to this Agreement.

22. “Social Houses” means the Borrower’s: (a) National House for Public Pension established pursuant to Law No. 263 /2010 regarding the public pension unitary system, published in the Borrower's Official Gazette No. 852 dated December 20, 2010 as subsequently amended, or any successor thereto; (b) the Health Insurance National House established pursuant to the Law No. 95/2006 regarding the health sector reform, published in the Borrower's Official Gazette No. 372 dated April 28, 2006, as subsequently amended, or any successor thereto, and (c) the National...
Agency for Employment respectively established pursuant to Law No. 202/2006 on the organization and functioning of the National Agency for Employment, as subsequently amended, republished in the Borrower's Official Gazette No. 294 dated May 6, 2009, or any successor thereto.

23. “Training” means the training and training-related activities, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers’ fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.