

OFFICIAL DOCUMENTS



August 16th, 2018

H.E. El Moctar Ould Djay
Minister of Economy and Finance
Ministry of Economy and Finance
Nouakchott, Mauritania

**Islamic Republic of Mauritania: Public Sector Governance Project
(Grant No. D103-MR)
Amendment to the Financing Agreement**

Excellency:

We refer to the financing agreement dated April 13, 2016 (“Original Financing Agreement”), between the Islamic Republic of Mauritania (“Recipient”) and the International Development Association (“Association”), for the Public Sector Governance Project (“Project”). Please note that the capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Original Financing Agreement as applicable.

I am pleased to inform you that, after due consideration, the Association proposes to amend the Original Financing Agreement as set forth below:

1. Schedule 1 of the Original Financing Agreement is hereby amended to read in its entirety as set forth in Annex 1 to this Amendment Letter.
2. Section I.A.2(b) of Schedule 2 to the Original Financing Agreement is hereby amended to read in its entirety as follows:

“(b) The Project Steering Committee shall be chaired by the Director General of Investment Project Management in MEF and shall include, *inter alia*, representatives from the MEF, the directorates responsible for customs, tax, budget, mining, SOE oversight unit within the Recipient’s Ministry of Economy and Finance, land and property registry, ARMP, the *Cour des Comptes*, COTREF, ONS, DGERSE, the CMAP, and civil and society representatives and other such membership as may be proposed by the Recipient and acceptable to the Association.”

3. In Section I.A of Schedule 2 to the Original Financing Agreement, new paragraph 5 will be added to read in its entirety as follows:

“Technical Advisory Committee

The Recipient shall maintain a Project implementation unit (PIU) within the MEF, until the completion of the Project, with personnel, funding and terms of reference acceptable to the Association, to be responsible for: overall financial management, technical

coordination, and support for implementation of activities under the Project according to the terms outlined in the Project Manual.”

4. Section III.A of Schedule 2 to the Original Financing Agreement is hereby amended to read in its entirety as follows:

“A. General

1. Procurement Regulations

All goods, non-consulting services and consulting services required for the Project, to be financed out of the proceeds of the Financing, and for which the procurement process starts on or after the date of the countersignature of this Amendment Letter, shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated May 14, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

2. Procurement Guidelines and Consultant Guidelines

- (a) Procurement and Consultant Guidelines. All goods, non-consulting-services and consultants’ services required for the Project, to be financed out of the proceeds of the Financing and for which the procurement process started before the date of the countersignature of this Amendment Letter, shall be procured in accordance with the provisions of this Section, and with the requirements set forth or referred to in:

- (i) Section I of the “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and updated in July 2014 (“Procurement Guidelines”), in the case of goods and non-consulting services; and
- (ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and updated in July 2014 (“Consultant Guidelines”), in the case of consultants’ services; and
- (iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines.

- (b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.”

5. Section IV.B.2 of Schedule 2 to the Original Financing Agreement is hereby amended and replaced in its entirety to read as follows:

“The Closing Date is December 31, 2022.”

6. In the Appendix of the Original Financing Agreement, the following definitions are added or modified and placed in alphabetical order to read as follows and the rest of the definitions are renumbered accordingly to maintain alphabetical order:

“CMAP” means the Recipient’s Center for Policy Analysis (*Le Centre Mauritanien d’Analyse des Politiques*).

“COTREF” means the Recipient’s Land Reform Technical Commission (*Commission Technique chargée de la Réforme Foncière*).

“DGDPE” means the Recipient’s General Directorate on Land Management and State Estate (*Direction Générale des Domaines et du Patrimoine de l’Etat*).

“DGERSE” means the Recipient’s General Directorate for Economic Reform and Monitoring and Evaluation.

“DMG” means the Recipient’s Directorate of Mines and Geology.

“EPA” or “AGA” means Autonomous Government Agencies (*Etablissement Public à Caractère Administratif (EPA)*), autonomous organizations performing non-commercial functions on behalf of the Recipient’s government.

“GFMIS” means Government Financial Management Information Systems.

“MTEF” means medium term expenditure framework.

“National Statistics Council” means the Recipient’s council responsible for statistics.

“NSS” means the Recipient’s National Statistics System.

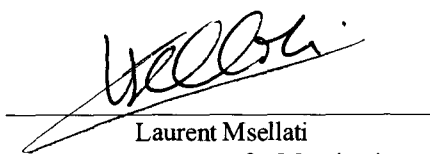
“ONS” means the Recipient’s National Office of Statistics (*Office Nationale de Statistiques*).

All the terms and conditions of the Original Financing Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please indicate your agreement with the foregoing amendments on behalf of the Recipient by countersigning and dating two (2) original copies of this Amendment Letter and returning one countersigned original to us. Upon receipt by the Association of the countersigned copy, these amendments shall become effective as of the date of this Amendment letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION



Laurent Msellati
Country Manager for Mauritania
Africa Region

CONFIRMED AND AGREED:

ISLAMIC REPUBLIC OF MAURITANIA

By: MINISTRY OF ECONOMY AND FINANCE

Name: EI MOCTAR DJAY

Title: MINISTER OF ECONOMY AND FINANCE

Date: August 16th, 2018

SCHEDULE 1

Project Description

The objective of the Project is to enhance transparency and improve the mobilization, allocation and management of public resources.

The Project consists of the following parts:

Part A Enhancing Transparency and Efficiency in Public Resource Management

1. Enhancing the systems for transparent public financial management and reporting

Implement a program of activities to enhance the systems for transparently and efficiently managing and reporting on public resources, through: (a) technical assistance for an in-depth assessment of current GFMIS and the development of a GFMIS integration master plan; (b) upgrading of the existing GFMIS modules for budget preparation and execution; (c) introduction of a modernized GFMIS accounting module; (d) development of interfaces between the budget and accounting GFMIS, as well as interfaces between these systems and other selected public finance information management systems; (e) technical assistance and training for improved public investment management; and (f) capacity-building for the Court of Accounts to enhance external oversight of annual budget execution.

2. Increasing monitoring of SOEs and autonomous agencies

Implement a program of activities designed to improve performance and accountability of state owned enterprises (SOEs) and autonomous government agencies, including through: (a) technical assistance to the DTF to strengthen financial oversight and performance monitoring of the parastatal sector, including the formulation of a national policy for the parastatal sector, production of annual reports on parastatal agencies and SOEs, training for DTF and SOE board members, and elaboration of performance agreements with selected SOEs; (b) the development of a platform for the consolidation and sharing of financial data and information on the parastatal sector between the DTF, IGE and the Court of Accounts; (c) introduction of international auditing standards and a quality review scheme for the auditing of EPAs and AGAs; (d) capacity-building for the IGE and the Court of Accounts to enhance internal and external controls over the parastatal sector; and (e) diagnostic studies on the internal control system of the MEF.

3. Enhancing the public procurement system

Enhance the public procurement system, including through: (a) elaboration and dissemination of practical tools and systems for the implementation of the new procurement regulatory and institutional framework; (b) study on procurement management norms; (c) elaboration of standardized technical specifications for high frequency contracts; (d) introduction of a certification system for procurement specialists; (e) procurement training programs; (f) capacity building and training for relevant

stakeholders, including private sector operators; and (g) design and implementation of Whistleblower Mechanisms.

Part B Strengthening the Administration of Land Registration and Mining Taxation

1. Strengthening the administration of land registration

Implement a program of activities, including: (a) a legal and institutional land review, as well as community consultations; (b) a review of the property taxation and valuation system and processes; (c) an update of taxpayer censuses in selected cities; (d) provision of logistical support and equipment for the management and updating of the land information system, and related capacity building activities for DGDPE; and (e) piloting of land rights registration in selected rural and urban areas, including support to the COTREF and DGDPE to supervise the pilots.

2. Broadening the tax base and strengthening fiscal management in the mining sector

Implement a program of activities, including: (a) support to the DMG in administering the newly introduced modern mining registry and the geo-science portal to promote new investments and better manage existing investments; and (b) a dedicated technical assistance program to improve intra-governmental coordination and strengthen capacity for fiscal management and tax auditing in the mining sector.

Part C Project Management

Support to the Recipient for activities related to the management of the Project including the cost of hiring and maintaining the PIU staff, equipment and Operating Costs directly linked to the daily management of the Project, the cost of External Audits of Project Accounts, and the cost associated with the Technical Committee.

Part D Strengthening National Statistical Capacity, Medium-term Programming and Annual Budget Processes

1. Enhancing the capacity of the National Statistical System to produce timely and quality statistics

Implement a program of activities designed to support the NSS, including: (a) training of statisticians and NNS staff; (b) technical assistance to clarify and enhance the effectiveness of the institutional arrangements for ONS and the National Statistics Council; and (c) technical assistance to support the ONS in revising the methodologies for the production of selected statistics.

2. Improving medium-term planning and budgeting

Implement a program of activities, including: (a) training and technical assistance to the MEF Directorate for Economic Provisions; (b) development of systems for macroeconomic modelling and fiscal simulation; and (c) technical assistance to support the elaboration of two sectoral MTEFs and their alignment with annual sectoral budgets.

3. Enhancing access to statistical information

Implement a program of activities, including: (a) support for the introduction of a regulatory and policy framework to facilitate citizen access to selected economic, fiscal and financial information; (b) development of on-line portals and open data bases for the dissemination of micro-data and fiscal information; and (c) communication and outreach campaigns for information end-users of micro-data and fiscal information.