



CREDIT NUMBER 5579-NI

Financing Agreement

(Additional Financing for Public Financial Management Modernization Project)

between

REPUBLIC OF NICARAGUA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *December 15*, 201*4*

FINANCING AGREEMENT

Agreement dated December 15, 2014, entered into between REPUBLIC OF NICARAGUA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount of twenty-five million Dollars (\$25,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment; and (b) three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts 1, 2, 3 and 4 of the Project, through MHCP, and cause Part 5 of the Project to be carried out by INIDE, all in accordance with the provisions of Article IV of the General Conditions.

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:

- (a) The Procurement Law shall have been amended, suspended, abrogated, repealed or waived so as to render its Article 5(e) ineffective, in the opinion of the Association, and no provision analogous to such Article 5(e) has been adopted to replace said provision.
- (b) The Inter-institutional Agreement or any of its provisions shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient and/or of INIDE to perform any of their respective obligations under the Inter-institutional Agreement.
- (c) INIDE shall have failed to perform any of its respective obligations under the Inter-institutional Agreement.
- (d) INIDE's Legal Framework shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of INIDE to perform any of its obligations under the Inter-institutional Agreement.

- 4.02. The Additional Events of Acceleration consist of the following:
- (a) that any event specified in paragraphs (a) or (d) of Section 4.01 of this Agreement occurs; or
 - (b) that any event specified in paragraphs (b) or (c) of Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Association, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section, but in no case later than the eighteen (18) months after the Association's approval of the Financing which expire on June 8, 2016.
- 5.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister of Finance and Public Credit.

- 6.02. The Recipient's Address is:

Ministerio de Hacienda y Crédito Público
Avenida Bolívar, Frente a la Asamblea Nacional
Managua, Nicaragua

Facsimile: + (505) 2222-3033

- 6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Managua, Republic of Nicaragua as of the
day and year first above written.

REPUBLIC OF NICARAGUA

By



Authorized Representative

Name: Ivan Acosta

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Luis A. Constantino

Title: Gerente y Representante

SCHEDULE 1

Project Description

The objective of the Project is to enhance the efficiency and transparency of the Recipient's public expenditure management and strengthen the Recipient's statistics management capacity.

The Project consists of the following parts:

Part 1: Strengthening of Institutional Capacities of the MHCP

Financing of technical assistance, training, non-consultant services, goods and operating costs to:

- (a) enhance the MHCP's budgeting subsystem, through, *inter alia*: (i) the redefinition of budgeting functions for the New PFMIS; (ii) the strengthening of the MHCP's capacity to gather, integrate and consolidate information from municipal budgets; and (iii) the strengthening of the MHCP's capacity to produce, interpret and publish fiscal statistics;
- (b) strengthen the MHCP's accounting subsystem, through, *inter alia*: (i) the redefinition of accounting functions for the New PFMIS and the support of its adaptation and implementation; (ii) the development of new accounting classifications according to international standards and the preparation of necessary manuals and guidelines for their dissemination, and the provision of training on said accounting classifications; (iii) the review and improvement of standards and quality of existing financial statements of the Recipient; and (iv) the preparation of technical and functional specifications for the Recipient's asset management subsystem and the registration of assets for the Recipient's inventories;
- (c) strengthen the MHCP's treasury subsystem, through, *inter alia*: (i) the redefinition of treasury management functions for the New PFMIS and the support of its adaptation and implementation; (ii) the review and analysis of specifications for the registration and integration of revenue management information into the operations of a single treasury account for the Recipient's agencies within the central administration; (iii) the promotion of gradual de-concentration of payment functions and implementation of a single treasury account in the Recipient's agencies within the central administration; and (iv) the provision of training to the Recipient's treasury office's personnel in topics related to cash programming, placement, and administration of debt;

- (d) strengthen the MHCP's public credit subsystem to implement and monitor the Recipient's national public debt strategy, through, *inter alia*: (i) the acquisition and adaptation of a new software version for the Recipient's debt management system and the development of its interface with the Existing PFMIS and the New PFMIS; (ii) the provision of technical assistance and training for the implementation of the new software version mentioned in (i) herein; (iii) the analysis and evaluation of the existing public debt portfolio and development of an updated public debt strategy; and (iv) the provision of training to personnel in debt management-related topics;
- (e) strengthen and integrate the Recipient's procurement system, through, *inter alia*: (i) the redefinition of public procurement functions and the development of technical specifications for the integration of the Recipient's public procurement system into the New PFMIS; (ii) the support of the implementation of initiatives to optimize procurement practices; and (iii) the enhancement of the MHCP's procurement office technical capabilities and the provision of specialized training to its personnel;
- (f) strengthen the MHCP's civil service system, through, *inter alia*: (i) the redefinition of human resource management functions and the development of technical specifications for the integration of the Recipient's civil service information system into the New PFMIS, and the support of its adaptation and implementation; (ii) the development of cross-checking mechanisms to validate personnel information with other related data bases (including the tax payers registration and the national personal identification systems); (iii) the implementation of the post classification and personnel performance evaluation modules under the Recipient's civil service information system; and (iv) the training of personnel in the MHCP's civil service office to operate new functions of the civil service information system and interface said functions with the New PFMIS;
- (g) strengthen the Recipient's National Public Investment System, through, *inter alia*: (i) the redefinition of the Recipient's national public investment system and the development of technical specifications for said system integration into the New PFMIS and the support of its adaptation and implementation; (ii) the design of instruments and mechanisms to enhance the quality of public investment projects; (iii) the design, development and implementation of a public investment transparency portal to facilitate broad dissemination and monitoring of public investment projects of the Recipient; and (iv) the update and the dissemination of a specialized training program to the Recipient's

personnel on public investment projects' preparation, evaluation, and implementation; and

- (h) support the implementation of international accounting standards at the national level through, *inter alia*, the design and implementation of a training system for professional accountants.

Part 2: Design, Acquisition and Development of the New Integrated PFMIS

Financing of technical assistance, training, non-consultant services, goods, and operating costs to:

- (a) adapt and customize the technology architecture and software applications to support the establishment of the New Software Application, through, *inter alia*: (i) the preparation of terms of reference, acceptable to the Association, for the acquisition of the New Software Application, and the provision of technical support for the bidding process for the acquisition of the New Software Application; (ii) the acquisition and configuration of the selected New Software Application; (iii) the provision of specialized supervision for the implementation of the selected New Software Application; (iv) the provision of training to MHCP's personnel on the New Software Application; and (v) the preparation of the technical documentation for the implementation process of the New Software Application;
- (b) design and installation of the technology infrastructure to support the operation of the New Software Application, through, *inter alia*: (i) the definition of hardware architecture and the development of technical specifications for required equipment and supporting goods; (ii) the acquisition and installation of computer equipment, telecommunications, security, contingency equipment, and other necessary supporting goods and software licences; (iii) the hiring of specialized technical assistance support for data-base administration and maintenance; (iv) the provision of technical assistance to certify compliance with information security standards; (v) the installation and testing of telecommunication facilities; and (vi) the provision of training to MHCP's personnel on the management and maintenance of installed hardware and supporting goods; and
- (c) strengthen the MHCP's technology office, through, *inter alia*: (i) the financing of salaries on a declining basis of specialized civil service personnel in the MHCP's technology office; (ii) the provision of general information technology training to MHCP's technology office personnel; and (iii) the financing of incremental costs of software licenses and other operating costs for the implementation of the Existing PFMIS.

Part 3: Implementation of the New PFMIS and Public Financial Management Capacity Building in the Recipient's Central Administration

Financing of technical assistance, training and non-consultant services to:

- (a) install and implement the New PFMIS, through, *inter alia*: (i) the provision of technical support for the installation and implementation of the New PFMIS at the MHCP's central units and at the spending units of all agencies within the Recipient's central administration; (ii) the preparation of support material for the installation, operation and implementation of the New PFMIS; (iii) the review of existing applicable legal framework and drafting of amendment proposals when deemed necessary; and (iv) the strengthening of the MHCP's technology office to provide support to users including installation and operation of the system's help desk; and
- (b) develop a permanent training and knowledge management network on public financial management and related public sector administration topics, through, *inter alia*: (i) the formulation of a knowledge management model and the validation with users; (ii) the drafting of necessary guidelines and specific procedures for the knowledge management network to be established and operational; (iii) the provision of training to MHCP's central units personnel as well as to personnel of other spending units in the Recipient's central administration; (iv) the carrying out of surveys, establishment of focus groups and the carrying out of similar activities (acceptable to the Association), to gather information and feedback from users; and (v) the implementation of a permanent dissemination program of good practices and information sharing among users.

Part 4: Project Management

Financing of operating costs, goods and non-consultant services to support the MHCP in the coordination of the administrative, financial management and procurement aspects of the Project.

Part 5: Enhancing Statistics Management Capacity

Modernize and strengthen INIDE's statistics management capacity through, *inter alia*, supporting: (i) the design and implementation of a digital multi-purpose cartography; and (ii) electronic data collection.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements.

1. The Recipient, through MHCP, shall operate and maintain, at all times during the implementation of the Project, a Project coordination unit, with functions, responsibilities and sufficient resources, acceptable to the Association, and staffed with competent personnel in adequate numbers, including, but not limited to, a procurement specialist and a financial management specialist, all with qualifications, experience and terms of reference acceptable to the Association. The Project coordination unit shall be responsible for, *inter alia*, the day-to-day financial management and procurement activities of the Project.
2. The Recipient, through MHCP, shall ensure that SIGFAPRO is maintained throughout Project implementation and used for issuing Project reports.
3. The Recipient shall ensure that the data of the National Census of Population and Housing is made publicly available upon its completion, in accordance with the Recipient's legal framework for disclosure of information.

B. Inter-institutional Agreement.

1. For purposes of carrying out Part 5 of the Project, the Recipient shall maintain an agreement ("Inter-institutional agreement") with INIDE, on terms and conditions acceptable to the Association, including, *inter alia*:
 - (a) the obligation of INIDE to carry out of Part 5 the Project in accordance with the provisions of this Agreement and the Operational Manual;
 - (b) comply with the provisions of the Anti-Corruption Guidelines; and
 - (c) maintain said agreement in full force and effect, throughout the implementation of the Project.
2. The Recipient shall exercise its rights and carry out its obligations under the Inter-institutional Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Inter-institutional Agreement or any provision thereof.

3. In case of any conflict between the provisions of the Inter-institutional Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

C. Operational Manual.

1. The Recipient shall carry out the Project in accordance with an Operational Manual, satisfactory to the Association, said manual to include, *inter alia*:
 - (a) project implementation procedures, monitoring indicators and guidelines, and other related documents for the execution of the Project;
 - (b) procedures for the procurement of goods and services for the Project set forth in the Procurement Plan and in accordance with the provisions of Section III of this Schedule 2;
 - (c) disbursement arrangements and flow of Project funds;
 - (d) procedures for the monitoring and evaluation of the Project, consistent with the provisions of Section II of this Schedule 2; and
 - (e) procedures for the review and approval of withdrawal applications to be furnished to the Association, in conformity with the instructions that the Association may give to the Recipient in this respect.
2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
3. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Anti-Corruption.

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

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 sixty (60) days after the end of the period covered by such report.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than four months after the Closing Date.

B. Financial Management, Financial Reports and Audits.

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association 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 Financing 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 Financing 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 Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or 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.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection based on Consultant's Qualifications (CQS)
(b) Quality-based Selection (QBS)
(c) Least Cost Selection (LCS)
(d) Single Source Selection (SSS)
(e) Selection under a Fixed Budget (FBS)
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Single-source procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions.

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement Special Provisions.

In addition and without limitation to any other provisions set forth in this Section, the Procurement Guidelines or the Consultant Guidelines, the following principles of procurement shall expressly govern all procurement of Goods, Non-consulting Services or Consultants' Services, as the case may be:

- (a) Foreign bidders shall not be required to be registered with local authorities as a prerequisite for bidding;
- (b) no bids shall be rejected, and no provisional awards shall be made at the time of bid opening;
- (c) the invitation to bid shall not establish, for purposes of acceptance of bids, minimum or maximum amounts for the contract prices;
- (d) the invitation to bid shall not publish the estimated cost of the contract;
- (e) in the case of Shopping, a minimum of three quotations shall be obtained as a condition to award the contract;
- (f) unless the Association may otherwise agree, for the procurement of Goods and Non-consulting Services, the "best offer" shall be the one submitted by the bidder whose offer was determined to be the lowest evaluated bid and was found substantially responsive to the bidding document acceptable to the Association, provided further that the bidder was determined to be qualified to perform the contract satisfactorily;
- (g) bidders and Consultants shall not be allowed to review or make copies of other bidder's bids or consultants' proposals, as the case may be. Likewise, bidders' and Consultants' responses to requests of clarifications made by the procuring entity during the bidding process shall not be disclosed to other bidders or Consultants, as the case may be. Finally, reports including recommendations for award shall not be shared with bidders and consultants prior to their publication;
- (h) eligibility criteria shall be the one defined in Section I of the Procurement Guidelines and Consultant Guidelines. Articles 17 and 18 of the Procurement Law shall not apply;
- (i) automatic rejection of bids or proposals, as the case may be, due to differences between bid or proposal prices and cost estimates being higher than predetermined percentages, shall not be allowed;

- (j) bidders shall have the possibility of procuring hard copies of bidding documents even if they are published on the procurement portal;
- (k) unless so indicated in the applicable Association's Standard Bidding Documents, pre-bid conferences shall not be conducted;
- (l) bid preparation terms shall not be reduced as a result of re-bidding;
- (m) Consultants shall not be required to submit proposal and performance securities;
- (n) complaints shall be handled as indicated in the appendixes to the Procurement Guidelines and Consultant Guidelines;
- (o) the procurement of Goods shall be carried out using standard bidding documents acceptable to the Association;
- (p) the Recipient, shall: (i) supply SEPA with the information contained in the initial Procurement Plan within 30 days after the Project has been approved by the Association; and (ii) update the Procurement Plan at least every three months, or as required by the Association, to reflect the actual Project implementation needs and progress and shall supply SEPA with the information contained in the updated Procurement Plan immediately thereafter; and
- (q) the invitations to bid, bidding documents, minutes of bid opening, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all Goods, Non-consulting Services and Consultants' Services shall be published in the National Procurement Portal, and in a manner acceptable to the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General.

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association 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 Financing ("Category"), the allocations of the

amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Non-Consulting Services, Consultants' services and Training for Parts 1, 2, 3 and 4 of the Project (excluding Part 2(a)(ii) of the Project)	15,711,250	100%
(2) Operating Costs	412,750	100%
(3) Goods, Non-consulting Services, Consultants' Services and Training for Part 5 of the Project	8,876,000	100 %
TOTAL AMOUNT	25,000,000	

For the purposes of this Section IV.A.:

- (a) the term "Non-Consulting Services" means the services required for printing, reproducing, publicizing and disseminating books, manuals and materials under the Project;
- (b) the term "Operating Costs" means the reasonable costs of recurrent expenditures incurred by MHCP and INIDE required for the implementation of the Project such as Project administration costs, operation and maintenance of office equipment, office supplies and salaries of staff of selected administrative units within MHCP and INIDE that are key for the implementation of the Project, including office rental expenses, lodging, *per diem*, transportation and travel costs, vehicle operation and maintenance (including fuel charges and insurance), which would not have been incurred absent the Project; and
- (c) the term "Training" means reasonable expenditures (other than consultants' services) incurred by the MHCP and INIDE for the

implementation of the Project, including, *inter alia*: (a) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training activities; (b) course fees; (c) logistic costs; (d) training facility and equipment rentals; and (e) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$5,000,000 may be made for payments made prior to this date but on or after November 4, 2014, but in no case more than one (1) year after the date of this Agreement for Eligible Expenditures.
2. The Closing Date is December 31, 2017.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15, commencing April 15, 2021 to and including October 15, 2052.	1.5625%

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Basis Adjustment” means the Association’s standard basis adjustment for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
5. “Existing PFMIS” means the Recipient’s public financial management information system existing as of the date of the Original Financing Agreement.
6. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
7. “INIDE” means the *Instituto Nacional de Información de Desarrollo* – INIDE, the Recipient’s National Statistics Agency, or any successor thereto.
8. “INIDE’s Legal Framework” means the Recipient’s Law No. 612, published in the Recipient’s Official Gazette 20 on January 29, 2007.
9. “Inter-institutional Agreement” means the agreement referred to in Section I.B. of Schedule 2 to this Agreement, as the same may be amended from time to time, with the prior approval and in a manner satisfactory to the Association.
10. “Original Financing Agreement” means the financing agreement for a Public Financial Management Modernization Project between the Recipient and the Association, dated December 9, 2010 (Credit No 4807-NI).
11. “Original Project” means the Project described in the Original Financing Agreement.

12. “MHCP” means *Ministerio de Hacienda y Crédito Público*, the Recipient’s Ministry of Finance and Public Credit, or any successor thereto.
13. “National Public Investment System” means *Sistema Nacional de Inversión Pública*, the Recipient’s national public investment system established pursuant to Presidential Decree No. 61-2001, dated June 26, 2001 and published in the Recipient’s Official Gazette on July 9, 2003, regulated according to Presidential Decree No. 83-2003, dated November 28, 2003 and published in the Recipient’s Official Gazette on December 3, 2003, and amended according to Presidential Decree No. 19-2010, dated May 19, 2010, and published in the Recipient’s Official Gazette on May 27, 2010.
14. “National Census of Population and Housing” means the Recipient’s X Census of Population and the Recipient’s V Census of Housing to be undertaken in 2017 by INIDE.
15. “New Software Application” means an “off-the-shelf” software application which, in the opinion of the Association, has all the elements required to support a web-based integrated system for the New PFMIS.
16. “New PFMIS” means the Recipient’s public financial management information system developed and implemented under the Original Project.
17. “Official Gazette” means the Recipient’s official gazette (*La Gaceta*).
18. “Operational Manual” means the Recipient’s manual dated November 5, 2014 referred to in Section I.C.1 of Schedule 2 to this Agreement.
19. “Procurement Guidelines” means 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 (revised July 2014).
20. “Procurement Law” means *Ley de Contrataciones Administrativas del Sector Público*, the Recipient’s Law No. 737, published in the Recipient’s Official Gazette Nos. 213 and 214, dated November 8 and 9, 2010, respectively.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 5, 2014 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.
22. “SIGFA” means *Sistema Integrado de Gestión Financiera y Auditoría*, the Recipient’s Public Financial Management Information System.

23. "SIGFAPRO" means a Project management module designed within SIGFA capable of issuing Project financial reports.