

ADDENDUM No. 1

FINANCING AGREEMENT DO/FED/2012/22-420

COUNTRY: DOMINICAN REPUBLIC

– " Budget Support programme for the Support of Local Authorities and Civil Society " –

Type of modifications

The European Union, and its member states, hereinafter referred to as "the EU", represented by the European Commission in its capacity as manager of the 10th European Development Fund, hereinafter referred to as "**the Commission**",

of the one part, and

The Dominican Republic, represented by the National Authorizing Officer, hereinafter referred to as "**the Beneficiary**",

of the other part,

HAVE AGREED AS FOLLOWS:

The above-mentioned Financing Agreement signed on the 18th July 2013 is modified as follows:

Special Conditions:

ARTICLE 2 – THE EU'S FINANCIAL CONTRIBUTION

This article is replaced to read as follows

2.1 The total cost of the programme is estimated at 18,720,000 euro, with the following components:

2.1.1 Budget support: 14,220,000 euro

2.1.2 Grant Scheme for Non State Actors: 2,000,000 euro

2.1.3 Technical Cooperation: 2,000,000 euro

2.1.4 Audit & Evaluation: 300,000 euro

2.1.5 Visibility: 200,000 euro

2.2 The EU undertakes to finance a maximum of 18,720,000 euro. The breakdown of the EU's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions.

ANNEX II: TECHNICAL AND ADMINISTRATIVE PROVISIONS (TAP'S)

BENEFICIARY COUNTRY / REGION	<i>Dominican Republic</i>		
REQUESTING AUTHORITY	<i>National Authorising Officer</i>		
BUDGET HEADING	<i>10th EDF, A Envelope</i>		
TITLE	<i>PASCAL: Budget Support programme for the Support of Local Authorities and Civil Society</i>		
TOTAL COST	<i>€ 18,720,000</i>		
Aid method / management mode	Sector Policy Support Programme: - Sector budget support (centralised management)		
DAC-CODE	<i>15110 15112 15150</i>	SECTOR	<i>Public sector policy and administrative management Decentralisation and support to local governments Democratic Participation and Civil society</i>

2. IMPLEMENTATION

This whole section is replaced by the following:

2.1 Implementation method and Procurement and Payment clauses

Budget support component: Direct Centralised Management

The programme will be implemented through non-targeted sector reform contract of € 14.22 M in four instalments corresponding to 2013, 2014, 2015 and 2016. The foreseen financing modalities are those of a result-oriented sector budget support programme based on a combination of fixed and variable tranches. Foreign exchange transfers will be entered in the accounts under the value date of the notification of credit to the account of the Central Bank. The exchange rate used will be the one published by the Dominican Central Bank on the value date of the notification of the credit in compliance with the applicable national legislation in force. The government of the DR will confirm that the relevant Treasury account has been credited and provide documentary evidence of the transfer, including the exchange rate used.

Complementary support measures: Direct Centralised Management

Complementary support measures for € 4.5 M are foreseen, of which:

- € 2 M for a grant scheme to support intermediary organisation(s) of civil society to strengthen capacities at the intermediary level, at the local CSO level and to allow civil society to play their accountability role in the monitoring and review of progress of the sector policy.
- € 2 M allocated in TA to support the capacity development of the MAP in areas related to the professionalization of the public service. The TA could be implemented by one or more service contracts.
- € 0.3 M for impact evaluation and auditing directly managed by the Commission
- € 0.2 M for visibility and communication related activities directly managed by the Commission

Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the EDF. Further extensions of this participation to other natural or legal persons by the concerned authorizing officer shall be subject to the conditions provided for in Annex IV of the Revised Cotonou Agreement.

Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. The maximum possible rate of co-financing for grants is 80% of the total eligible costs. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities and in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the CRIS Reference: FED/2012/22-420

10th EDF.

2.3 Budget and calendar

This section is replaced by the following:

2.3.1 Budget

The total budget for this program will be € 18.72 million of which € 14.22 million will be direct, non-targeted and medium term policy and strategy budget support and € 4.5 million, complementary actions (grant scheme, TA service contract/s; external monitoring, impact evaluation / audit and visibility related actions), as follows:

<i>PASCAL</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>Total</i>
<i>Fixed tranches</i>	2,500,000				2,500,000
<i>Variable tranches</i>		4,200,000	4,200,000	3,320,000	11,720,000
<i>BUDGET SUPPORT</i>	2,500,000	4,200,000	4,200,000	3,320,000	14,220,000
<i>Grant Scheme for Intermediary NGOs - Local Call for Proposals</i>					2,000,000
<i>TA, Monitoring</i>					2,000,000
<i>Impact Evaluation / Audit</i>					300,000
<i>Visibility</i>					200,000
<i>TOTAL BUDGET</i>					18,720,000

2.3.2 Calendar

This table is replaced by the following:

Indicative disbursement timetable (€ million)

<i>Fiscal Years</i>	<i>2013</i>				<i>2014</i>				<i>2015</i>				<i>2016</i>			
<i>Quarters</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>
<i>Fixed tranches</i>		2.5														
<i>Variable tranches</i>							4.2				4.2				3.32	
<i>Budget Support</i>		2.5					4.2				4.2				3.32	
<i>Total: € 14.22 M</i>		2.5					4.2				4.2				3.32	

APPENDICES TO TAP'S

Appendix 2: Disbursement arrangements and timetable

2. Indicative disbursement timetable

Table A bis is replaced by the following:

Table A bis: Indicative disbursement timetable (€ million)

<i>Fiscal Years</i>	<i>2013</i>				<i>2014</i>				<i>2015</i>				<i>2016</i>			
<i>Quarters</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>
<i>Fixed tranches</i>		2.5														
<i>Variable tranches</i>							4.2				4.2				3.32	
<i>Budget Support</i>		2.5					4.2				4.2				3.32	
<i>Total: € 14.22 M</i>		2.5					4.2				4.2				3.32	

4. Specific conditions for the disbursement of tranches

Table C is replaced by the following table:

Table C: Specific conditions for the release of tranches

No.	Result Indicators	Baseline	TARGETS							Sources of verification	Disbursement breakdown		
		2012	Disbursement YEAR and Indicator Weight								2014	2015	2016
			2013	2014		2015		2016					
		Target	Target	Weight	Target	Weight	Target	Weight					
<i>Expected result 1: The MAP is strengthened to implement the municipal component of the MAP Strategic Plan 2012-2016</i>													
1	Number of fix or temporal public servants recruited by the MAP to implement the municipal civil service component of MAP	55	87	23%	107	25%				Organisational and charge structure of the MAP Municipal Division MAP payroll	1,000,000	1,000,000	0
2	Percentage of the MAP budget executed for municipal related actions	3.07	31.72	14%	32.63	14%	34.75	8%		MAP Budget execution report prepared with the data available in the SIGEF	600,000	585,000	250,000
3	No. of pilot municipalities monitored through the Public Administration Monitoring System (SISMAP)	0	10	10%	25	8%				Website www.map.gob.do (SISMAP gateway)	400,000	315,000	0

No.	Result Indicators	Baseline	TARGETS								Sources of verification	Disbursement breakdown		
			Disbursement YEAR and Indicator Weight									2014	2015	2016
		2012	2013	2014		2015		2016		EUR		EUR	EUR	
		Target	Target	Weight	Target	Weight	Target	Weight						
<i>Expected Result 2: 40 pilot municipalities are strengthened to implement the public service law at the local level as defined in the MAP Strategic Plan 2012-2016</i>														
4	Percentage of Capital investment budget increase in the pilot municipalities.	3,359,09 3,630				1.49%	12%	4.47%	6%	Budget execution from pilot municipalities DIGEPRES - Module of budget execution	0	500,000	200,000	
5	Percentage increase of the total embeddable public servants according to law 41-08 incorporated in the pilot municipalities	0						35%	36%	Website www.map.gob.do (SISMAP gateway) Career Directorate records and Municipal Councils resolutions	0	0	1,200,000	
6	No. of pilot municipalities incorporated to the Public Employees Management System (SASP)	0	Disbursement upon the verification of the achievement of the BS general conditions	10	17%	25	11%	40	9%	Website www.map.gob.do SASP gateway: http://map.gob.do/sasp/	700,000	500,000	300,000	
7	No. of public servants' associations constituted	2		10	7%	25	6%	40	3%	MAP resolution and records of the Association's registration	300,000	250,000	100,000	
8	No. of pilot municipalities applying the self-assessment exercise as established in the Common Assessment Framework (CAF)	2		10	12%	25	8%	40	8%	Website www.map.gob.do (SISMAP gateway) Records of the MAP Management Innovation Directorate	500,000	350,000	270,000	

No.	Result Indicators	Baseline	TARGETS								Sources of verification	Disbursement breakdown		
			Disbursement YEAR and Indicator Weight									2014	2015	2016
		2012	2013		2014		2015		2016			EUR	EUR	EUR
	Target	Target	Weight	Target	Weight	Target	Weight	Target	Weight					
<i>Expected Result 3: Public service delivery is improved in 40 pilot municipalities by means of participation and supervision of NSA of the public administration reform</i>														
9	Percentage increase of total capital investment budget executed through participatory budgeting mechanisms specified in law 166-03	35%		45%	17%	50%	16%	55%	6%	FEDOMU, Division of participatory budgeting Court of Auditors, Dominican Republic	700,000	700,000	200,000	
10	Degree of citizen satisfaction with the institutional performance of the pilot municipalities	35%						75%	24%	Survey of citizens' satisfaction with the institutional performance of the 40 pilot municipalities, MAP financed.	0	0	800,000	

The addendum shall enter into force on the date on which it is signed by the last party.

Done in two original copies, one copy being handed to the Commission and one to the Beneficiary.

Done at Brussels

Done at Santo Domingo

FOR THE COMMISSION

FOR THE BENEFICIARY

Jolita BUTKEVICIENNE

Director G DEVCO EUROPEAN COMMISSION
by sub-delegation

Date:

Date