

**OFFICIAL  
DOCUMENTS**

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**CREDIT NUMBER 5557-CI  
GRANT NUMBER D0030-CI**

**Financing Agreement**

**(Health Systems Strengthening and Ebola Preparedness Project)**

**between**

**REPUBLIC OF CÔTE D'IVOIRE**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated**  **, 2014**

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**CREDIT NUMBER 5557-CI  
GRANT NUMBER D0030-CI**

**FINANCING AGREEMENT**

AGREEMENT dated December 17, 2014, entered into between REPUBLIC OF CÔTE D'IVOIRE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 grant and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project").
  - (a) An amount equivalent to twenty three million seven hundred thousand Special Drawing Rights (SDR 23,700,000) ("Grant"); and
  - (b) An amount equivalent to twenty three million seven hundred thousand Special Drawing Rights (SDR 23,700,000) ("Credit").
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The Payment Currency is Euro.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Health and the Fight against AIDS (MSLS), 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 —TERMINATION**

- 4.01 The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement. 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 (20) years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient's Representative is its under the Prime Minister in charge of the Ministry of Economy and Finance, or his or her successor.

5.02. The Recipient's Address is:

Ministry of Economy & Finance  
P. O. Box V 163  
Abidjan  
Côte d'Ivoire

Cable:	Facsimile:
MINFIN	225-20-30-25-25
Abidjan	225-20-30-25-28

5.03. The Association's Address is:

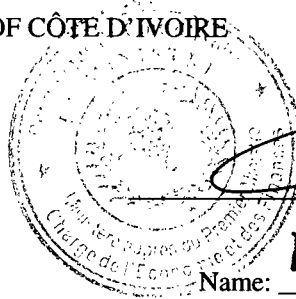
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

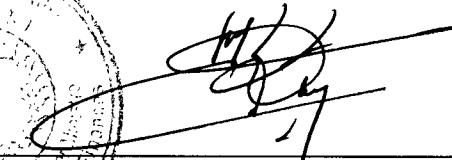
Cable:	Facsimile:
INDEVAS	1-202-477-6391
Washington, D.C.	

AGREED at 17/11/2017, as of the day and year first above written.

REPUBLIC OF CÔTE D'IVOIRE

By





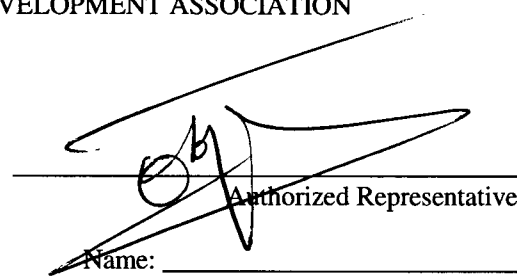
Authorized Representative

Name: **Nialé KABA**

Title: \_\_\_\_\_

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to strengthen the health system and improve the utilization and quality of health and nutrition services in selected regions.

The Project consists of the following parts:

#### **Part A. Performance-Based Financing**

1. Provision of comprehensive Health Services Packages to support the Recipient in its goal of achieving universal health care, with an emphasis on maternal and child health and nutrition interventions, and with linkages to the TFHCI, including: (a) the expansion of health coverage to the general population, with a focus on the poor and vulnerable; and (b) the improvement of the utilization of good quality services, through the use of a PBF approach.
2. Carrying a program of activities in a phased approach aimed at: (a) building the Recipient's capacity to facilitate the implementation of Part A.1 of the Project through, *inter alia*, technical assistance, training programs on PBF concepts and procedures, and provision of goods required for the purpose; and (b) monitoring and evaluating activities carried out under Part A.1 of the Project, including through the services of community-based and independent verifiers.

#### **Part B. Strengthening the Health System for Improved Performance**

For effective operation of the Recipient's health systems generally and activities carried out under Part A of the Project ("PBF Activities") specifically:

1. Improving the Recipient's Health Insurance Coverage (CMU) through the carrying out a program of activities, including: (a) developing and testing a mechanism to target the poor; (b) carrying out a study to ensure that the tariffs for CMU services rendered fairly cover the costs of providing those services; (c) supporting analysis of the sustainability of CMU and PBF Activities; (d) supporting information system linkages needed for the CMU; and (e) engaging long-term technical assistance to support the ongoing development and operation of the CMU, with appropriate linkages to the TFHCI and PBF Activities.
2. Carrying out a program of activities aimed at: (a) rehabilitating selected health facilities; (b) acquiring essential equipment to supply the newly rehabilitated facilities; (c) monitoring the availability and use of said equipment; and (d) conducting specific surveys to ensure that the rehabilitated health facilities are fully operating.
3. Supporting: (a) the development of facility-based information systems to be linked to the CMU, including for purposes of reporting on PBF in the Recipient's territory; (b) the

training of a cadre of staff on the utilization and further development of said information systems; and (c) the development of electronic patient records.

4. Improving the management of the Recipient's health system through a program of activities to: (a) ensure adequate management capacity to manage the CMU and PBF in the Recipient's territory, as well as general management of the health care system; (b) support hospital reforms; and (c) the development of a community health strategy in coordination with other development partners.
5. Acquiring essential equipment, supplies, drugs and vehicles in preparation for the potential emergence of the Ebola virus, and other potential communicable disease outbreaks, in the Recipient's territory in coordination with UNICEF.
6. Establishing the PIU and the CT-PBF with responsibilities for the Project and PBF Activities, respectively, in the areas of coordination, financial management, procurement, supervision and monitoring, through the provision of technical assistance, Training, Operating Costs, goods and services.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements for the Project

##### 1. Project Steering Committee

- (a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Steering Committee, with a mandate, composition and resources satisfactory to the Association, to be chaired by the Recipient's Minister of the MSLS or his or her representative.
- (b) Without limitation upon the provisions of paragraph (a) above, the Project Steering Committee shall: (i) comprise the Chair, the Minister under the Prime Minister in charge of the Ministry of Economy and Finance or his or her representative, the Minister under the Prime Minister in charge of the Ministry of Budget or his or her representative, and the Minister in charge of Employment and Social Affairs or his or her representative; and (ii) be responsible for guiding the overall development and oversight of the Project, including PBF Activities. The Project Steering Committee has ultimate responsibility for the Project, including PBF Activities. The Project Technical Committee and PBF Steering Committee report to it accordingly.

##### 2. Project Technical Committee

- (a) The Recipient shall maintain, at all times during the implementation of the Project, the Project Technical Committee, with a mandate, composition and resources satisfactory to the Association, to be chaired by a senior representative from the Director of the Department of Planning and Forecasting (DPPS).
- (b) Without limitation upon the provisions of paragraph (a) above, the Project Technical Committee shall: (i) comprise the Chair along with: (a) the Director General for Health (DGS) or his or her representative; (b) the Director of Information, Planning and Evaluation (DIPE) or his or her representative; (c) the Director of Financial Affairs (DAF) or his or her representative; (d) the Director of Budget (Ministry of Budget) or his or her representative; (e) the Director of Economy (Ministry of Economy and Finance) or his or her representative; and (f) the Director of the national health insurance structure (*Caisse Nationale d'Assurance Maladie*) or his or her representative; and (ii) be responsible for guiding the technical aspects of activities under the Project. The Project Technical Committee has overall responsibility for guiding implementation of Project activities, including PBF Activities. The CT-PBF accordingly will maintain close contact with the Project Technical Committee.



**5. Project Implementation Unit**

- (a) The Recipient shall establish, no later than March 31, 2015, and thereafter maintain at all times until the completion of the Project, a PIU within the MSLS, with a mandate, composition and resources satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph (a) above, the PIU shall:
  - (i) comprise a multidisciplinary team of the Recipient's civil servants and consultants with qualifications and experience satisfactory to the Association;
  - and (ii) be responsible for the implementation of the Project and the overall fiduciary aspects of the Project, as well as supporting the Project Steering Committee and the Project Technical Committee.

**6. Project Implementation Manual**

- (a) The Recipient shall prepare, in the context specified in Section IV.B.1(c), and in accordance with terms of reference acceptable to the Association, a Project Implementation Manual, containing detailed arrangements and procedures for:
  - (i) institutional coordination and day-to-day execution of the Project;
  - (ii) Project budgeting, disbursement and financial management;
  - (iii) procurement; and
  - (iv) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.
- (b) The Recipient shall afford the Association a reasonable opportunity to review such manual, and shall thereafter adopt said manual as shall have been approved by the Association.
- (c) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual or any provision thereof, without the prior written consent of the Association.

**7. Annual Project Work Plan and Budget**

- (a) The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association no later than November 30 of each Fiscal Year throughout the implementation of the Project, a work plan of proposed activities for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and thereafter carry out such work plan during the period covered by said work plan, according to such budget, both as shall have been approved by the Association ("Annual Project Work Plan and Budget").

- (c) Only such activities as shall have been included in the Annual Project Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

**B. Institutional Arrangements for the PBF Activities**

**1. PBF Steering Committee**

- (a) The Recipient shall establish, no later than March 31, 2015, and thereafter maintain, at all times during the implementation of the Project, the PBF Steering Committee, with a mandate, composition and resources satisfactory to the Association, to be chaired by the Minister of Economy and Finance or his or her representative, unless otherwise specified in the National PBF Strategy.
- (b) Without limitation upon the provisions of paragraph (a) above, the PBF Steering Committee shall: (i) comprise the Chair, along with high level representatives from the MSLS, the Ministry in charge of the Budget, the Ministry in charge of Employment and Social Affairs, and the Ministry in charge of Economy and Finance, as well as representatives from civil society and technical and financial partners in PBF, as determined by the Chair; and (ii) be responsible for overseeing implementation of the PBF Activities; documenting lessons learned from various PBF initiatives across the Recipient's territory; providing guidance to implementing partners; and generating policy direction for the institutionalization of the PBF in the Recipient's territory. The PBF Steering Committee shall report to the Project Steering Committee and follow its decisions where relevant.

**2. CT-PBF**

- (a) The Recipient shall establish, no later than March 31, 2015, and thereafter maintain at all times until the completion of the Project, the CT-PBF within the MSLS, with a mandate, composition and resources satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph (a) above, the CT-PBF shall: (i) comprise a multidisciplinary team of the Recipient's civil servants and consultants with qualifications and experience satisfactory to the Association; and (ii) shall be responsible for: (A) supporting the regulatory function of the MSLS in the implementation of PBF in the Recipient's territory; (B) monitoring the progress of such PBF in the field and promoting ownership of such PBF by the MSLS; (C) exploring ways and mechanisms to institutionalize and expand PBF as a national policy and practice in the Recipient's territory; and (D) specifically manage the implementation of PBF Activities and support the PBF Steering Committee. The CT-PBF shall report to the PBF Steering Committee and collaborate with the Project Technical Committee and the PIU in matters relating to the implementation of the Project.

**3. PBF Contracting and Verification Agency**

(a) In order to assist the Recipient in carrying out the PBF Activities, the Recipient shall engage a Contracting and Verification Agency (ACV) under a performance-based purchasing agreement (“Purchasing Agreement”) between the Recipient and the ACV, under terms and conditions approved by the Association, pursuant to which the ACV shall, on behalf of and as agent of the Recipient, undertake to:

- (i) carry out the support activities specified in the Purchasing Agreement, in accordance with the provisions of this Agreement and the Manuals (“ACV Support”); and
- (ii) without limitation upon the provisions of the foregoing, ensure that: (A) the performance of the ACV Support is implemented in accordance with the provisions of this Schedule 2, including Sections I.C (Anti-Corruption Guidelines) and I.D (Performance-Based Payments); (B) all goods, services, Training and Operating Costs required for the ACV Support and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of this Schedule 2 (Procurement); and (C) the ACV Support shall be monitored and evaluated in accordance with the provisions of Section II of this Schedule 2 (Project Monitoring, Reporting and Evaluation).

(b) The Recipient shall exercise its rights and carry out its objectives under the Purchasing Agreement in such 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 or waive the Purchasing Agreement of any of its provisions.

**4. PBF Operations Manual**

- (a) In addition to the Project Implementation Manual, the Recipient shall prepare, in the context specified in Section IV.B.1(b), and in accordance with terms of reference acceptable to the Association, a PBF Operations Manual setting forth, *inter alia*, the detailed arrangements, including payment methods, verification mechanisms, contract management and quality assessment procedures, for the implementation of the PBF Activities.
- (b) The Recipient shall afford the Association a reasonable opportunity to review such manual, and shall thereafter adopt said manual as shall have been approved by the Association.
- (c) The Recipient shall carry out PBF Activities in accordance with the PBF Operations Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived the aforementioned manual or any provision thereof, without prior written consent of the Association.

**5. Annual PBF Work Plan and Budget**

- (a) The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association no later than November 30 of each Fiscal Year throughout the implementation of the Project, a work plan of proposed PBF Activities for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan; and, thereafter, carry out such work plan during the period covered by said work plan, according to such budget, both as shall have been approved by the Association (“Annual PBF Work Plan and Budget”). The Annual PBF World Plan and Budget shall be part of the Annual Project Work Plan and Budget.
- (c) Only such PBF Activities as shall have been included in the Annual PBF Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing allocated to PBF Activities.

**C. Anti-Corruption**

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

**D. Performance-Based Payments**

**1. General**

Without prejudice to the remainder of this Schedule, the ACV shall review and approve, on behalf of the Recipient, applications for Performance-Based Payments from Beneficiaries in accordance with the provisions of this Section I.D. and the Manuals.

**2. Terms and Conditions of Performance-Based Contracts**

- (a) With respect to each Beneficiary, an agreed portion of the Health Services Package shall be carried out pursuant to a Performance-Based Contract to be concluded between the ACV on behalf of the Recipient and such Beneficiary, under terms and conditions satisfactory to the Association, and as further described in the PBF Operations Manual, which shall include the following:
  - (i) a description of the relevant services within the Health Services Package (the “Beneficiary-Provided Services”), and the applicable rates and applicable performance indicators for such services;

- (ii) the obligation of the Beneficiary to: (A) carry out the Beneficiary-Provided Services with due diligence and efficiency and in accordance with sound and technical, financial, administrative, environmental and social practices and standards; (B) ensure that the resources required for such services are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations and expenditures relating to such services; and (D) at the request of the Association or the Recipient, including through the ACV, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;
  - (iii) the obligation of the Beneficiary to carry out the Beneficiary-Provided Services in accordance with the provisions of the Anti-Corruption Guidelines;
  - (iv) the obligation of the Beneficiary to carry out the Beneficiary-Provided Services in accordance with the provisions of the Manuals;
  - (v) the obligation of the Beneficiary to carry out the Beneficiary-Provided Services in accordance with the provisions of the Safeguard Documents;
  - (vi) the requirement that the goods and consultants' services to be financed from the proceeds of the Performance-Based Payments shall be procured in accordance with procedures ensuring efficiency and economy and as further detailed in Section III of this Schedule, and shall be used exclusively in the carrying out of the Beneficiary-Provided Services; and
  - (vii) the right of the Recipient and the ACV, on behalf of the Recipient, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Beneficiary-Provided Services, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Beneficiary-Provided Services; and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Performance-Based Payments, or obtain a refund of all or any part of the amount of the Performance-Based Payments then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under its Performance-Based Contract.
- (b) The Recipient, through the ACV acting on its behalf, shall exercise its rights and perform its obligations under the Performance-Based Contracts in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Performance-Based Payments, and, except as the Association

shall otherwise agree, neither the Recipient nor the ACV shall assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated or waived the aforementioned, or any provision thereof.

3. **Performance-Based Payment Eligibility and Beneficiary-Provided Services Implementation and Procedures**

No proposed Beneficiary shall be eligible for financing out of the proceeds of the Financing unless the ACV has determined on the basis of a review conducted in accordance with guidelines acceptable to the Association, and elaborated in the PBF Operations Manual, that the proposed Beneficiary and its proposed Beneficiary- Provided Services satisfy the eligibility criteria specified below, as may be further detailed in the PBF Operations Manual:

- (a) the proposed Beneficiary is a public health facility, a private for-profit health facility or not-for-profit health facility that has sufficient legal status to sign agreements and be able to receive physical and financial resources, as well as a governing structure to manage and evaluate the provision of its Beneficiary-Provided Services;
- (b) the proposed Beneficiary-Provided Services are technically feasible, financially and economically sound, and satisfy the requirements of the PBF Activities;
- (c) the proposed Beneficiary-Provided Services comply with the Safeguard Documents; and
- (d) the proposed Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management and implementation of the proposed Beneficiary-Provided Services.

4. **Performance-Based Verification**

- (a) For purposes of ex ante verification prior to the provision of Performance-Based Payments to Beneficiaries for Beneficiary-Provided Services, the Recipient shall appoint and maintain the ACV in accordance with Section I.B.3 of this Schedule and acceptable to the Association.
- (b) For purposes of ex post verification following the provision of Performance-Based Payments to Beneficiaries for Beneficiary-Provided Services, the Recipient shall, during the implementation of the Project: (i) cause the CT-PBF to coordinate semi-annual verifications as specified in the PBF Operations Manual; and (ii) engage one or more community-based organizations, under terms of reference acceptable to the Association, to conduct semi-annual verification exercises, including community and focus group surveys, beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to their respective Beneficiary-Provided Services, and

assessments of the quality of health services provided through such Beneficiary-Provided Services.

**E. Safeguards**

1. Without limitation upon the provisions of Section 4.01(b) of the General Conditions (referring to the obligation of the Recipient to ensure the carrying out in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices), the Recipient shall: (a) prepare, adopt and disclose, in form and substance satisfactory to the Association, the Safeguard Documents no later than February 27, 2015; and (b) ensure that the Project is carried out in accordance with the Safeguard Documents.
2. To this end, the Recipient shall, in a manner acceptable to the Association take the following actions:
  - (i) prior to commencement of any works and PBF Activities to be carried out under the Project:
    - (A) prepare, in form and substance satisfactory to the Association, the requisite Safeguard Documents;
    - (B) thereafter, except as otherwise agreed with the Association, submit the Safeguard Documents to the Association for review and approval;
    - (C) subsequently, adopt and disclose, in a manner acceptable to the Association, the Safeguard Documents; and
    - (D) immediately thereafter, implement the Safeguard Documents, all in accordance with their terms and in a manner acceptable to the Association; and
  - (ii) except as the Association shall otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents.
3. Without limitation upon the other reporting obligations under this Agreement, the Recipient shall regularly collect and compile on a semi-annual basis, and submit to the Association as part of the Project Report, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.
4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

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 forty-five (45) days after the end of the period covered by such report.

**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 II, the Recipient shall prepare and furnish to the Association not later than forty-five (45) 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 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 (6) months after the end of such period.
4. The Recipient shall meet the following requirements:
  - (i) within one month following the date of this Agreement, the Recipient shall recruit: (A) a financial management manager (“RAF”); (B) a principal accountant; and (C) an assistant accountant, all of whom are very familiar with the World Bank’s financial management procedures;
  - (ii) within three months following the date of this Agreement, the Recipient shall: (A) acquire and install accounting software for the Project and provide training for its users; and (B) contract with the Inspection General des Finances (IGF) to manage the internal audit function of the Project and conduct periodic reviews of Project transactions; and
  - (iii) within five months following the date of this Agreement, the Recipient shall: (A) recruit an external auditor for the Project; and (B) establish a Finance Subcommittee of, and reporting to, the Project Steering Committee to support oversight of the financial management and procurement aspects of the Project.



**C. Independent Impact Evaluation**

In addition to regular monitoring and evaluation of the Project, the Recipient shall commission an independent impact evaluation, at a time and according to terms of reference agreed between the Recipient and the Association, with base-line, mid-line and end-line surveys and related analyses, to determine whether the PBF Activities and/or other activities in the Project have contributed to the objectives of the Project set forth in the first paragraph of this Schedule and to guide any scale-up of PBF in the Recipient's territory.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works 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 III.
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 III.
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 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, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions listed in paragraph (3) below; (c) Shopping; (d) Direct Contracting; and (e) Community Participation procedures which have been found acceptable to the Association.

3. **Additional Provisions for National Competitive Bidding.** The following aspects shall apply to National Competitive Bidding:

- (i) the Recipient shall not reject all bids, or, if only one bid is received, it shall not reject the sole bid either and solicit new bids;
- (ii) the point system shall not apply; and
- (iii) bids shall not be rejected on the grounds that they are either too high or too low.

**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) Selection of UNICEF; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) 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.

**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 IV, 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 (each a "Category"), the allocations of the amounts

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

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR )</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Performance-Based Payments under Part A.1 of the Project	7,900,000	5,700,000	80% of Performance-Based Payments
(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under Part A.2 of the Project	4,300,000	3,200,000	85%
(3) Goods, works, non-consulting services, consultants service, Training and Operating Costs under Part B of the Project except Part B.5 of the Project	10,800,000	8,000,000	100%
(4) Goods under Part B.5 of the Project	0	6,800,000	100%
(5) Refund of Preparation Advance	700,000	0	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>23,700,000</b>	<b>23,700,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section IV, no withdrawal shall be made:
  - (a) with respect to Eligible Expenditures under Category (4), for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate

amount not to exceed SDR 6,800,000 may be made for payments made prior to this date but on or after November 1, 2014;

- (b) with respect to Eligible Expenditures under Categories (1) and (2), unless the PBF Operations Manual, including a form of Purchasing Agreement, has been adopted by the Recipient in form and substance satisfactory to the Association;
- (c) with respect to Eligible Expenditures under Category (3), unless (i) a Project Implementation Manual has been prepared and adopted by the Recipient in form and substance satisfactory to the Association; (ii) a financial manager that is experienced and very familiar with the World Bank's financial management procedures is recruited to the PIU; and (iii) two procurement specialists have been recruited by the PIU; and
- (d) with respect to Eligible Expenditures under Category (4), unless the Recipient has entered into an agreement with UNICEF, in form and substance satisfactory to the Association, to achieve Part B.5 of Schedule 1 to this Agreement.

2. The Closing Date is January 31, 2020.

**Section V. Other Undertakings**

**A. Counterpart Funds**

Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient has agreed to contribute an amount equivalent to US\$7,000,000 as additional financing to support the PBF Activities ("Counterpart Funds"), of which US\$5,000,000 shall finance support to activities under Part I.A of the Project and US\$2,000,000 shall finance support to activities under Part I.B of the Project. These Counterpart Funds shall be included in the Annual PBF Work Plan and Budgets as part of the overall funding for Performance-Based Payments and shall be made available to the Project in installments of US\$1,400,000 per year, or such other timing as the Association may approve.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15, commencing May 15, 2021 to and including November 15, 2052	1.5625%

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

## APPENDIX

### Section I. Definitions

1. "ACV" means a contracting and verification agency that enters into a Purchasing Agreement with the Recipient under terms and conditions approved by the Association.
2. "Annual PBF Work Plan and Budget" means each annual work plan, together with the related budget for the PBF Activities, approved by the Association, pursuant to the provisions of Section I.B.5 of Schedule 2 to this Agreement.
3. "Annual Project Work Plan and Budget" means each annual work plan, together with the related budget for the Project, approved by the Association, pursuant to the provisions of Section I.A.7 of Schedule 2 to this Agreement.
4. "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.
5. "Beneficiary" means a public health facility, private for-profit health facility or not-for-profit health facility found to be eligible to carry out Beneficiary-Provided Services pursuant to the procedures and criteria set out in Section I.D.3 of Schedule 2 to this Agreement.
6. "Beneficiary-Provided Services" means those services and activities derived from the Health Services Package to be provided by particular Beneficiaries under their respective Performance-Based Contracts.
7. "CMU" means the Recipient's health insurance coverage.
8. "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).
9. "Counterpart Funds" means an amount equivalent to five million United States Dollars (US\$ 7,000,000) to be contributed by the Recipient in accordance with Section V.A of Schedule 2 to this Agreement.
10. "CT-PBF" means the national technical unit established by the MSLS pursuant to Section I.B.2 of Schedule 2 to this Agreement.
11. "Environmental and Social Management Framework" and "ESMF" means the Recipient's framework, acceptable to the Association, for the management of the Project's environmental and social impacts, as such framework may be amended from time to time by the Recipient with prior written consent of the Association.

12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
13. “Health Care Waste Management Plan” means the Recipient’s plan, acceptable to the Association, for the management of medical waste under the Project, defining the set of mitigation, enhancement, monitoring and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental impacts of medical waste, offset them, reduce them to acceptable levels, as such plan may be amended by the Recipient from time to time, with the prior written consent of the Association.
14. “Health Services Package” means a package of health services and regulatory activities provided in the Recipient’s territory and detailed in the PBF Operations Manual, as approved by the Association, as the services and activities that may constitute Beneficiary-Provided Services.
15. “Manuals” means, collectively, the Project Implementation Manual and the PBF Operations Manual.
16. “Minister of Economy and Finance” means the Recipient’s Minister in charge of economy and finance.
17. “MSLS” means the Recipient’s Ministry in charge of health and the fight against AIDS, or its successor.
18. “National PBF Strategy” means the strategy to be approved by the Council of Ministers, as may be modified over time, subject to consultation with the Association.
19. “Operating Costs” means the reasonable costs directly related to the Project for the incremental expenses incurred by the Recipient on account of Project implementation, consisting of: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, but excluding salaries of officials of the Recipient’s civil services).
20. “PBF” and “Performance-Based Financing” means a financing mechanism under which a Beneficiary receives performance-based payments for delivering services that meet performance indicators set out in a performance-based contract.
21. “PBF Activities” means the performance-based activities outlined in Part A.1 of Schedule 1 to this Agreement, as further detailed in the PBF Operations Manual.
22. “PBF Operations Manual” means the manual for the implementation of the PBF Activities to be approved by the Association and adopted by the Recipient in accordance with Section I.B.4 of Schedule 2 to this Agreement.

23. "PBF Steering Committee" means the committee to be established by the Recipient pursuant to Section I.B.1 of Schedule 2 to this Agreement.
24. "Performance-Based Contract" means a performance-based contract to be entered into between the ACV and a Beneficiary, pursuant to Section I.D.2 of Schedule 2 to this Agreement.
25. "Performance-Based Payment" means a payment made or proposed to be made out of the proceeds of the Financing by the ACV to a Beneficiary under a Performance-Based Contract in accordance with the Section I.D.3 of Schedule 2 to this Agreement.
26. "Preparation Advance" means the advance funds to be provided to the Recipient under the letter agreement between the Association and the Recipient, dated October 28, 2014, in an amount not to exceed one million dollars (US\$1,000,000) to facilitate preparation of the Project."
27. "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).
28. "Procurement Plan" means the Recipient's procurement plan for the Project, dated October 22, 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.
29. "Project Implementation Manual" means the manual for the implementation of the Project, including sections detailing financial management and procurement aspects, to be approved by the Association and adopted by the Recipient in accordance with Section I.A.6 of Schedule 2 to this Agreement.
30. "Project Implementing Unit" and "PIU" means the unit within the MSLS, as described in Section I.A.5 of Schedule 2 to this Agreement.
31. "Project Steering Committee" means the committee established by the Recipient pursuant to *Arrêté No. 198/MSLS/CAB* dated May 9, 2014, as referred to in Section I.A.1 of Schedule 2 to this Agreement.
32. "Project Technical Committee" means the committee established by the Recipient pursuant to *Arrêté No. 198/MSLS/CAB* dated May 9, 2014, as referred to in Section I.A.2 of Schedule 2 to this Agreement.
33. "Purchasing Agreement" means the agreement referred to in Section I.B.3 of Schedule 2 to this Agreement between the Recipient and the ACV.
34. "Safeguard Documents" means, collectively, the Environmental and Social Management Framework and the Health Care Waste Management Plan.



35. "TFHCI" means the Recipient's Targeted Free Health Care Initiative.
36. "Training" means the reasonable costs for the training and workshops included in the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consulting services).