

(ECSA)

OFFICIAL DOCUMENTS

CREDIT NUMBER 5822-LS
CREDIT NUMBER 5823-ZM
CREDIT NUMBER 5863-MZ AND GRANT NUMBER D1180-MZ
CREDIT NUMBER 5864-MW AND GRANT NUMBER D1170-MW

Project Agreement

(Southern Africa Tuberculosis and Health Systems Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

EAST, CENTRAL AND SOUTHERN AFRICA HEALTH COMMUNITY

Dated July 6th, 2016

**CREDIT NUMBER 5822-LS
CREDIT NUMBER 5823-ZM
CREDIT NUMBER 5863-MZ AND GRANT NUMBER D1180-MZ
CREDIT NUMBER 5864-MW AND GRANT NUMBER D1170-MW**

PROJECT AGREEMENT

AGREEMENT dated July 6th, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the EAST, CENTRAL AND SOUTHERN AFRICA HEALTH COMMUNITY (“Project Implementing Entity”) (“Project Agreement”) in connection with the following Financing Agreements (“Financing Agreements” and each a “Financing Agreement”) dated on or around the same date of this Agreement: (a) the Financing Agreement between the Kingdom of Lesotho and the Association (“Lesotho Financing Agreement”); (b) the Financing Agreement between the Republic of Malawi and the Association (“Malawi Financing Agreement”); (c) the Financing Agreement between the Republic of Mozambique and the Association (“Mozambique Financing Agreement”); and (d) the Financing Agreement between the Republic of Zambia and the Association (“Zambia Financing Agreement”).

WHEREAS (A) As part of the regional effort to address tuberculosis as a regional public health issue, the Recipients under the above Financing Agreements have each expressed an interest to become a Participating Country (as defined in the Financing Agreements) in the Southern Africa Tuberculosis and Health Systems Support Project (as described in Schedule 1 to the Financing Agreements) (“Project”) and have requested the Association to extend a credit or grant, as applicable, to assist them in the financing of the Project;

(B) The Project will be implemented by each of the Participating Countries, ECSA-HC and NPCA; and

(C) This Agreement constitutes the Project Agreement between the Association and the Project Implementing Entity governing the Project Implementing Entity’s implementation of its Respective Part of the Project.

NOW THEREFORE, the Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreements) 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 Financing Agreements or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Part 3.3(a) of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, facilities, services and other resources required for its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III —EFFECTIVENESS; TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.
- 3.02. This Agreement shall become effective once: (a) it has been duly authorized, executed and delivered on behalf of the Project Implementing Entity; and (b) the first Participating Country Financing Agreement for the Project has been declared effective.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity's Representative is its Director General.
- 4.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Telex: Facsimile:
248423(MCI) 1-202-477-6391

- 4.03. The Project Implementing Entity's Address is:

East, Central and Southern Africa Health Community
157 Oloirien Njiro Road
P.O. Box 1009, Arusha
The United Republic of Tanzania

AGREED at Arusha, United Republic of Tanzania, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



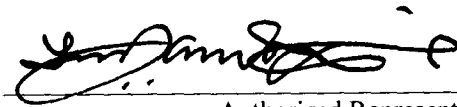
Authorized Representative

Name: Ahmadou Maustapha Ndiaye

Title: Country Director

EAST, CENTRAL AND SOUTHERN AFRICA HEALTH
COMMUNITY

By



Authorized Representative

Name: YOSWA M DAMBINYA

Title: DIRECTOR GENERAL

SCHEDULE 1

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall be responsible for serving as the regional coordination organization for the Project and to this end shall coordinate activities for the Project at the regional level, as further set forth in the Financing Agreements and the PIM.
2. The Project Implementing Entity shall undertake all measures on its part to: (i) maintain the Regional Advisory Committee, in a form and with functions, composition, membership, mandate and responsibilities satisfactory to the Association, all as further described in the PIM; and (ii) ensure that the Regional Advisory Committee carries out its functions in accordance with the PIM.
3. The Project Implementing Entity shall, no later than two (2) months after the First Effective Date, or such later date as the Association may agree, establish, and thereafter maintain throughout Project implementation, its team for the Regional Secretariat, in a form and with functions, composition, mandate and staffing, (under terms of reference, qualifications and scope of responsibilities) and adequate resources, including a Project coordinator, a finance officer, procurement specialist, monitoring and evaluation specialist, and other technical specialists, as further set forth in the PIM, all satisfactory to the Association; the Regional Secretariat to be responsible for running the day-to-day management of the Project at the regional level, and provide secretariat services to the Regional Advisory Committee.
4. The Project Implementing Entity shall:
 - (a) no later than three (3) months after the First Effective Date, or such later date as the Association may agree, enter into the Cooperation Agreement with NPCA, in form and substance satisfactory to the Association, and shall carry out its Respective Part of the Project in accordance with the Cooperation Agreement;
 - (b) no later than three (3) months after the First Effective Date, or such later date as the Association may agree, hire a finance officer for the Project, with qualifications and under terms of reference satisfactory to the Association;
 - (c) no later than one (1) month after the First Effective Date, or such later date as the Association may agree, adopt the PIM, in form and substance satisfactory to the Association;
 - (d) no later than six (6) months after the First Effective Date, or such later date as the Association may agree hire an external auditor, satisfactory to the Association;

- (e) carry out its Respective Activities in accordance with the PIM, the Subsidiary Agreements, the Memorandum of Understanding and the Safeguards Documents, and shall not amend said documents without the prior written approval of the Association; and
 - (f) cooperate, coordinate and collaborate with Participating Countries and their institutions and other regional organizations and stakeholders, as agreed with the Association, in a manner to further the interests of the Project, including sharing of information and preparation of work programs and reports.
5. The Project Implementing Entity shall: (a) not later than November 15 in each calendar year during Project implementation, prepare and furnish to the Association, a program of activities for its Respective Part of the Project proposed for inclusion in the Project during the following calendar year, including: (i) a detailed timetable for the sequencing and implementation of said activities; (ii) the types of expenditures required for such activities; and (iii) the planned procurement methods for the expenditures (“Annual Work Program”); and (b) not later than December 15 in each calendar year during Project implementation, prepare and furnish to the Association a consolidated program of activities at the regional level, consisting of the Annual Work Program and the annual work program submitted by NPCA to the Project Implementing Entity, endorsed by the Regional Advisory Committee and proposed for inclusion in the Project during the following calendar year, including: (i) a detailed timetable for the sequencing and implementation of said activities; (ii) the types of expenditures required for such activities; and (iii) the planned procurement methods for the expenditures (“Consolidated Regional Annual Work Program”);
- (a) The Project Implementing Entity shall exchange views with the Association on each such proposed Annual Work Program and Consolidated Regional Annual Work Program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Project Implementing Entity and the Association; and
 - (b) Only those activities which are included in an Annual Work Program and Consolidated Regional Annual Work Program shall be included in the Project. Notwithstanding the foregoing, the Annual Work Program and Consolidated Regional Annual Work Program might be amended from time to time to include new activities with the prior and written concurrence of the Association.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of 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 Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in the Project Implementation Manual and acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient and the Association not later than thirty (30) days after the end of the period covered by such report for incorporation and forwarding by the Recipients to the Association of the overall Project Reports.
2. The Project Implementing Entity shall prepare consolidated overall Project Reports covering all Recipients, NPCA and itself, in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in the Project Implementation Manual and acceptable to the Association. Each such consolidated overall Project Report shall cover the period of one calendar year, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
3. The Project Implementing Entity shall provide to the Recipients not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity 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 its Respective Part of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

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, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Project Implementing Entity for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).
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 and the Procurement Plan.
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) Shopping; (b) Procurement from UN Agencies; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection:** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant

Guidelines for the Selection of Individual Consultants; (g) Selection of UN Agencies; 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.