

# OFFICIAL DOCUMENTS

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CREDIT NUMBER 5790-CM

## Financing Agreement

(Health System Performance Reinforcement Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 14<sup>th</sup> September, 2016

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**CREDIT NUMBER 5790-CM**

**FINANCING AGREEMENT**

AGREEMENT dated 14<sup>th</sup> September, 2016, entered into between REPUBLIC OF CAMEROON (“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 credit in an amount equivalent to seventy-two million four hundred thousand Special Drawing Rights (SDR 72,400,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.
- 2.06. The Payment Dates are September 15 and March 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. 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 the Ministry of Public Health 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 — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;
  - (b) The Recipient has established the Technical Working Group in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement;
  - (c) The Recipient has expanded the mandate of the National PBF Technical Unit in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement;
  - (d) The Recipient has recruited a financial management specialist, a procurement specialist, all in accordance with the provisions of Section I.A.2(b)(i)(A) of Schedule 2 to this Agreement;
  - (e) The Recipient has expanded the mandate of the Tender Board in accordance with the provisions of Section I.A.3 of Schedule 2 to this Agreement; and
  - (f) The Recipient has adopted the Project Operational Manual in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. 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 V— REPRESENTATIVE; ADDRESSES**

5.01. The Recipient's Representative is its minister at the time responsible for economy, planning and regional development.

5.02. The Recipient's Address is:

Ministry of Economy, Planning and Regional Development  
Yaoundé  
Republic of Cameroon

Facsimile:

(237) 22 22 15 09

5.03. The Association's Address is:

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

Telex:            Facsimile:

248423 (MCI) 1-202-477-6391

AGREED at Yaoundé, Republic of Cameroon, as of the day and year first above written.


By  \_\_\_\_\_  
Authorized Representative

Name: Louis Paul MOTAZE

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

 \_\_\_\_\_  
Authorized Representative

Name: Elisabeth Heyboer

Title: Country Director

## SCHEDULE 1

### Project Description

The objective of the Project is to increase utilization and improve the quality of health services with a particular focus on reproductive, maternal, child and adolescent health and nutrition services.

The Project consists of the following parts:

#### **A. Strengthening of Health Service Delivery**

Strengthening health service delivery through, *inter alia*:

1. Support for the provision of Basic Health Services Package through the payment of performance-based subsidies to Health Authorities, Health Facilities and selected community health worker groups or nongovernmental organizations.
2. Support for the facilitation of performance-based financing systems and procedures through, *inter alia*: (a) establishment of contract development and verification agencies in relation to the provision of the Basic Health Services Package; (b) provision of training and capacity building activities on PBF systems, processes and benefits; and (c) technical assistance to tertiary level hospitals in the Recipient's city of Yaounde and Douala on the use of PBF approach in health service delivery.
3. Improvement of access to RMNCAH and nutrition services through, *inter alia*: (a) development and implementation of a package of integrated health, education and social protection services to improve adolescent health; (b) reinforcement of quality and high impact nutrition provision services supported through performance-based subsidies; (c) development and implementation of a communication strategy on PBF-based health service delivery, (d) and support to the piloting of Kangaroo Mother Care to reduce risks related to low birth weight and prematurity, and (e) support in the provision of critical inputs in maternal, neonatal, family planning and adolescent health care services.

#### **B. Institutional Strengthening for Improved Health System Performance**

1. Strengthening of the Ministry of Public Health at the national, regional and district levels in specific areas including, *inter alia*: (a) carrying out of analytic studies and facilitation of policy dialogue to address priority challenges to the Recipient's health system; (b) development of a national health financing strategy and implementation of resulting action-plans, including development of a public expenditure review for the health sector; (c) carrying out of ex-post third-party verification of the provision of the Basic Health Services Package; and (d) upgrade

and extension of the PBF portal and carrying out of service delivery indicators surveys.

2. Reinforcement of civil registration and vital statistics systems.
3. Project coordination, management and monitoring, preparation of financial audits and periodic evaluations, including, *inter alia*: (a) recruitment of requisite staff, purchase of equipment, and provision of Training, audits, and monitoring and evaluation activities; (b) facilitation of performance contracting within the PBF Technical Unit and other relevant units within the Ministry of Public Health; (c) setting up of institutional framework and systems and capacity building to improve health sector program budget indicators, investment budget execution and information management systems; (d) project supervision, including validating results through technical and financial audits, making payments based on results attained, and overall scheme evaluation; and (e) coordination among stakeholders.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Technical Working Group

- (a) The Recipient shall establish and maintain at all times during the implementation of the Project, a Project technical working Group with composition, mandate and resources satisfactory to the Association (“Technical Working Group”);
- (b) The Technical Working Group shall be chaired by a director level representative of the Recipient’s ministry responsible for health and shall be comprised of, *inter alia*, a representative of the Recipient’s ministries at the time responsible for planning and finance; and
- (c) The Technical Working Group shall meet at least once every year and shall be responsible for Project oversight, including *inter alia*: providing overall conceptual and strategic guidance to the PBF Technical Unit for Project design, implementation and coordination of activities; reviewing Project progress and performance; reviewing each Annual Work Plan and Budget; identifying necessary Project adjustments based on monitoring and evaluation reports; and submission of annual Project reports to the Health Sector Strategy Steering Committee.

##### 2. PBF Technical Unit

- (a) The Recipient shall expand the mandate of the PBF Technical Unit, and thereafter maintain at all times during the implementation of the Project, the PBF Technical Unit within the Recipient’s Ministry of Public Health with a mandate, composition and resources satisfactory to the Association.
- (b) Without limitation upon the provisions of Paragraph (a) of Section I.A.2 of this Schedule 2, the PBF Technical Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers and to this end, *inter alia*, recruit: (A) a procurement specialist and a financial management specialist; and (B) not later than two (2) months after the Effective Date, an accountant, an assistant accountant, and an internal auditor; all in accordance with Section III of this Schedule 2, with qualifications and terms of reference acceptable to the Association; and (ii) be responsible for coordinating the day-to-day implementation of the Project, including, preparing the proposed overall Annual Work Plan and



Budget for the Project, updating the Procurement Plan and consolidating the Project reports for the Technical Working Group.

3. Tender Board

To facilitate the carrying out of the Project procurement activities, the Recipient shall expand the mandate of the Tender Board and thereafter maintain the Tender Board, at all times during the implementation of the Project, with composition, terms of reference and resources satisfactory to the Association, which shall be responsible for providing technical procurement support to the PBF Technical Unit.

**B. Performance-Based Financing Implementing Agents**

1. In order to assist the Recipient in carrying out aspects of the PBF activities under Part A of the Project, the Recipient shall engage each of the Implementing Agents under an implementation agreement (“Implementation Agreement”) between the Recipient and the Implementing Agent, under terms and conditions approved by the Association, pursuant to which the Implementing Agent shall, on behalf of and as agent for the Recipient undertake to:

- (a) carry out those activities under said Part of the Project which are located within its assigned region or jurisdiction and specified in the Implementation Agreement (“PBF Activities”), in accordance with the provisions of the Financing Agreement, (including the Project Operational Manual and the PBF Manual); and
- (b) without limitation on the foregoing, ensure that: (i) the performance of the PBF Activities are implemented in accordance with the provisions of Section I.D of this Schedule; (ii) all goods, services, Training and Operating Costs required for the PBF Activities 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; (iii) the PBF Activities shall be carried out in accordance with the Anti-Corruption Guidelines; and (iv) the PBF Activities shall be monitored and evaluated in accordance with the provisions of Section II of this Schedule 2.

2. The Recipient shall not make available any portion of the Financing to an Implementing Agent until an Implementation Agreement has been executed between the Recipient and such Implementing Agent.

3. The Recipient shall exercise its rights and carry out its objectives under each Implementation 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 any Implementation Agreement or any of its provisions.

**C. Project Operational Manual**

1. The Recipient shall prepare or cause to be prepared, in accordance with terms of reference acceptable to the Association, a Project operational manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and safeguard management; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
2. The Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt or cause to be adopted such manual as shall have been approved by the Association (“Project Operational Manual”).
3. The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written consent of the Association.
4. In the event of any conflict between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**D. PBF Manual**

1. The Recipient shall: (a) update the PBF Manual in form and substance satisfactory to the Association setting forth, *inter alia*, the detailed arrangements, including payment methods, verification mechanisms, contract management and quality assessment procedures in accordance with a defined PBF best practices, for the implementation of performance-based financing, in consideration of the Financing, as well as a detailed assessment of the estimated unit costs of the Basic Health Services Package to be provided by each Participating Health Authority; and (b) thereafter adopt the revised PBF Manual as shall have been approved by the Association (“PBF Manual”).
2. The Recipient shall ensure that the Project is carried out in accordance with the PBF Manual, and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the PBF Manual, or any of its provisions.

**E. Anti-Corruption**

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

**F. Annual Work Plans and Budgets**

1. Not later than November 30 in each calendar year (or one (1) month after the Effective Date for the first year of Project implementation), the Recipient shall prepare and furnish to the Association a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association (“Annual Work Plan and Budget”). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
3. For any training proposed to be included in an Annual Work Plan and Budget, the Recipient shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior written approval.

**G. Performance-Based Payments**

1. General

Without prejudice to the provisions of Section I.A of this Schedule, the Implementing Agents shall review and approve, on behalf of the Recipient, applications for Performance-Based Payments, in accordance with the provisions of this Section I.G and the PBF Manual.

2. Terms and Conditions of Performance-Based Contracts

- (a) The Basic Health Services Package shall be carried out pursuant to a Performance-Based Contract, to be concluded between the relevant Implementing Agent on behalf of the Recipient and the respective



Participating Health Authority, under terms and conditions, satisfactory to the Association, as further described in the PBF Manual, which shall include the following:

- (i) a description of the Basic Health Services Package, the applicable rates, and applicable performance indicators;
- (ii) the obligation of the Participating Health Authority to: (A) carry out the Basic Health Services Package with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the activities are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Basic Health Services Package; and (D) at the request of the Association or the Recipient, 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 Participating Health Authority to carry out the Basic Health Services Package in accordance with the provisions of the Anti-Corruption Guidelines;
- (iv) the obligation of the Participating Health Authority to carry out the Basic Health Services Package in accordance with the provisions of the Project Operational Manual and the PBF Manual;
- (v) the obligation of the Participating Health Authority to carry out the Basic Health Services Package in accordance with the provisions of: (A) the IPPF; and (B) the Medical Waste Management Plan;
- (vi) the requirement that the goods and consultants' services to be financed from the proceeds of the Performance-Based Payment shall be procured in accordance with procedures ensuring efficiency and economy as further detailed in Section III of this Schedule, and shall be used exclusively in the carrying out of the Basic Health Services Package; and
- (vii) the right of the Implementing Agents, on behalf of the Recipient, and of the Recipient in its own right, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request,



the goods and sites included in the Basic Health Services Package, 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 Basic Health Services Package; and (C) suspend or terminate the right of the Participating Health Authority to use the proceeds of the Performance-Based Payment, or obtain a refund of all or any part of the amount of the Performance-Based Payment then withdrawn, as the case may be, upon failure by the Participating Health Authority to perform any of its obligations under the Performance-Based Contract.

- (b) The Recipient shall not make available any portion of the Performance-Based Payments to a Participating Health Authority until an Implementing Agent has verified that such Participating Health Authority has delivered the Basic Health Services Package in accordance with the Performance-Based Contract, the PBF Manual and the Project Operational Manual; and
- (c) The Recipient, or the relevant Implementing Agent, as the case may be, shall exercise its rights and carry out its obligations under the Performance-Based Contract in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Performance-Based Payment, and, except as the Association shall otherwise agree, neither the Recipient nor any of the Implementing Agents, shall assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

3. Performance-Based Payments Eligibility and Basic Health Services Package Implementation Guidelines and Procedures

No proposed Participating Health Authority shall be eligible for financing under Part A.1 of the Project unless, on the basis of a review conducted in accordance with this Section I.G and the PBF Manual, the proposed Participating Health Authority is deemed to satisfy the eligibility criteria specified below and in further detail in the PBF Manual, which shall include the following:

- (a) the proposed Participating Health Authority is a public or private health service provider carrying out the Basic Health Services Package;
- (b) the proposed Basic Health Services Package satisfies the requirements of Part A.1 of the Project as described in further detail in the PBF Manual;
- (c) the proposed Basic Health Services Package complies with the IPPF and the Medical Waste Management Plan;

- (d) the proposed Basic Health Services Package is consistent with the relevant sectoral, environmental, and social standards and policies; and
- (e) the Participating Health Authority has put in place all necessary arrangements, including financial and human resources, for the management of the proposed Basic Health Services Package.

4. External Controls

- (a) The Recipient shall maintain or, as needed, in accordance with Section III of this Schedule 2, recruit not later than nine (9) months after the Effective Date and thereafter maintain, throughout Project implementation, external verification agents, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the third-party verification of the Basic Health Services Package to be carried out under Part A.1 of the Project; and
- (b) The Recipient shall cause said external verification agents to carry out, once every semester, throughout Project implementation, verification exercises of Basic Health Services Package, including community and focus group surveys, beneficiary spot checks, verification of data provided and records kept by the relevant Participating Health Authority in relation to the Basic Health Services Package, and assessments of the quality of health services provided under such Basic Health Services Package, in accordance with the provisions of the PBF Manual.

**H. Safeguards**

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the IPPF and the Medical Waste Management Plan, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
- 2. In the event of any conflict between the provisions of IPPF, or the Medical Waste Management Plan, and those of this Agreement, the latter shall prevail.
- 3. Without limitation upon its other reporting obligations under Section II.A.1 of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the IPP and the Medical Waste Management Plan, giving details of:
  - (a) measures taken in furtherance of said plans;

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- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said plans; and
  - (c) remedial measures taken or required to be taken to address such conditions.
4. The Ministry of Public Health in close collaboration with the Ministry of Environment, Nature Protection and Sustainable Development shall be responsible for the implementation and monitoring and evaluation of said plans, and to this end, the Recipient shall maintain, throughout Project implementation, in said Ministry of Public Health, an environmental and social safeguards unit, with a mandate, composition and resources satisfactory to the Association.

**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(b) 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, the Recipient shall prepare and furnish to the Association not later than 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. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement, the Recipient shall upgrade, not later than two (2) months after the Effective Date, the Project's computerized financial and accounting system to be fit for Project purpose, in a manner satisfactory to the Association.

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5. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage external auditors for the purpose, not later than five (5) months after the Effective Date, in accordance with the provisions of Section III of this Schedule 2.

**Section III. Procurement**

**A. General**

1. **Goods.** All goods 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 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**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods.** 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:

<b>Procurement Method</b>
(a) Limited International Bidding
(b) National Competitive Bidding subject to the additional procedures set forth in paragraph 3 below
(c) Direct Contracting
(d) Procurement from United Nations Agencies
(e) Shopping



3. **Requirements for the National Competitive Bidding.** The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient's Procurement Code of September 24, 2004, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines.
- (a) In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines;
  - (b) The invitation to bid shall be advertised in, at least, one national newspapers with wide circulation;
  - (c) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;
  - (d) The bidders shall be given adequate response time (at least four weeks) from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit their bids;
  - (e) Eligible bidders, including foreign bidders, shall be allowed to participate;
  - (f) No domestic preference shall be given to domestic contractors and to domestically manufactured goods and association with national firm shall not be a condition for participation in a bidding process;
  - (g) Bids are awarded to the lowest evaluated bidder provided that such bidder is qualified;
  - (h) No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply;
  - (i) Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors; and

- (j) Fees charged for bidding documents shall be reasonable and reflect only the cost of printing and delivery to the prospective bidders.

**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:

<b>Procurement Method</b>
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least-Cost Selection
(d) Selection based on Consultants' Qualifications
(e) Single-Source Selection
(f) 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, 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:

<b>Category</b>	<b>Amount of the Credit 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	50,700,000	100% of Performance-Based Payments
(2) Goods, consultants’ services, Training and Operating Costs for the Project except Parts A.1 and A.3(ii) of the Project	21,700,000	60%
<b>TOTAL AMOUNT</b>	<b>72,400,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
- (a) payments made prior to the date of this Agreement; or
  - (b) Under Category (1) unless: (i) such a withdrawal is made on the basis of a Performance-Based Contract executed between an Implementing Agent, on behalf of the Recipient and a Participating Health Authority in accordance with the provisions of Section I.G.2 of Schedule 2 to this Agreement; and (ii) the Recipient has updated and adopted the PBF Manual, in accordance with Section I.D.1 of Schedule 2 to this Agreement.
2. The Closing Date is May 31, 2021.

**Section V. Other Undertakings**

- A. The Recipient shall ensure that the Financing shall be used exclusively for the financing of activities detailed in Schedule 1 of this Agreement and no portion of the Financing shall be used for any applicable expenditure under the Project if such expenditure was reimbursed by the HSSIP Financing.



**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each September 15 and March 15	
commencing September 15, 2021 to and including March 15, 2031	1.65%
commencing September 15, 2031 to and including March 15, 2041.	3.35%

\* 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. “Annual 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.F of Schedule 2 to this Agreement.
2. “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.
3. “Basic Health Services Package” means a combination of health services and related regulatory activities provided in the Recipient’s territory and detailed in the PBF Manual as approved by the Association.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Co-financier” means the World Bank acting as an administrator of the GFF.
6. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of twenty-seven million dollars (\$27,000,000) to be provided by the Co-financier to assist in financing the Project.
7. “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).
8. “FRPS” (*Fonds Regionale pour la Promotion de la Santé*) means the funds established or to be established in select regions of the Recipient pursuant to the Recipient’s laws to perform all public service activities in the health domain within the relevant jurisdiction.
9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
10. “GFF” or “Global Financing Facility” means the trust fund established in September 2014 by various donors to support developing countries’ national plans for scaling up access to quality reproductive, maternal, newborn, child and adolescent health services.
11. “Health Authority” means a public or private health authority set up within the Recipient’s district, regional or national levels, satisfying the criteria set forth in



the PBF Manual. "Health Authorities" means collectively all such health authorities.

12. "Health Facility" means any health facility located within the territory of the Recipient satisfying the criteria set forth in the Project Operational Manual. "Health Facilities" means collectively all such facilities.
13. "Health Sector Strategy Steering Committee" means the sector strategy steering committee, established pursuant to the Recipient's Arrete N. 131/PM du 12 octobre 2005 and revised pursuant to the Recipient's Arrete N. 186/ PM du 20 décembre 2010 and N. Decision N. 0445/D/CAB/SG/CP-SSS du 30 mai 2011.
14. "HSSIP Financing" means the financing provided under the HSSIP Financing Agreement.
15. "HSSIP Financing Agreement" means the financing agreement between the Recipient and the International Development Association for the Health Sector Support Investment Project (HSSIP Project), dated October 30, 2008, and amended and restated on August 25, 2011, (Credit Number H4478-CM) and the additional financing agreement between the Recipient and the International Development Association for said project, dated September 26, 2014, (Credit Number 5486-CM).
16. "HSSIP Project" means the Project described in the HSSIP Financing Agreement.
17. "Implementation Agreement" means each agreement referred to in Section I.B of Schedule 2 to this Agreement between the Recipient and an Implementing Agent.
18. "Implementing Agent" means an FRPS or a nongovernmental organization selected in accordance with the criteria set forth in the Project Operational Manual and with whom the Recipient shall enter into an agreement pursuant to Section I.B of Schedule 2 to this Agreement for the purpose of implementing the PBF Activities under Part A of the Project in accordance with the terms of the Project Operational Manual and the PBF Manual. "Implementing Agents" means collectively all such entities.
19. "IPPF" means the Recipient's framework published in the Recipient's territory and at the Association's Infoshop on February 25, 2016, and to be applied to the purposes of the Financing, outlining measures to ensure culturally appropriate social and economic benefits for the pigmies under the Project and avoidance, minimization, or mitigation of, or compensation for, any potential adverse effects on the pigmies associated with activities to be implemented under the Project, as shall have been agreed with the Association for purposes of Project implementation and shall be applied by the Recipient in accordance with the provisions of Section I.H of Schedule 2 to this Agreement, as the same may be

updated from time to time with the prior written consent of the Association, and such term includes any schedules to said framework.

20. “Kangaroo Mother Care” means a simple cost-effective health intervention approach consisting of continuous skin to skin contact between caregivers and premature or low birth weight infants for the purpose improving the health and mortality rate of said premature or low birth weight infants.
21. “Medical Waste Management Plan” means the Recipient’s plan published in the Recipient’s territory and at the Association’s Infoshop on February 25, 2016, and to be applied to the purposes of the Financing, setting out the measures to be taken for the development and implementation of biomedical waste management and safe handling of said waste, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.
22. “Ministry of Environment, Nature Protection and Sustainable Development” means the Recipient ministry responsible for the environment and any successor thereto.
23. “Ministry of Public Health” means the Recipient ministry responsible for public health and any successor thereto.
24. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.
25. “Participating Health Authority” means a Health Authority, Health Facility, non-governmental organization or community health worker groups determined to be eligible to carry out the Basic Health Services Package pursuant to the procedures and criteria referenced in Section I.G.3 of Schedule 2 to this Agreement as further detailed in the PBF Manual.
26. “PBF” means performance-based financing.
27. “PBF Activities” means the performance-based financing activities outlined in Part A of the Project as further detailed in the PBF Manual.
28. “PBF Manual” means the performance-based financing manual referred to in Section I.D.1 of Schedule 2 this Agreement.

29. "PBF Technical Unit" means the unit established within the Ministry of Public Health pursuant to the Recipient's *Decision 0333/D/MINSANTE/SG/DCOOP du 30 mai 2014* and the Recipient's *Decision 3459/D/MINSANTE/ CAB/ SG/ DGCOOP du 9 novembre 2015*.
30. "Performance-Based Contract" means the performance-based contracts to be entered into between an Implementing Agent and a Participating Health Authority, pursuant to Section I.G.2 of Schedule 2 to this Agreement, in the form annexed to the Project Operational Manual.
31. "Performance-Based Payment" means a payment made or proposed to be made out of the proceeds of the Financing by an Implementing Agent to a Participating Health Authority under a Performance-Based Contract in accordance with Section I.G.3 of Schedule 2 to this Agreement to finance the provision of the Basic Health Services Package.
32. "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).
33. "Procurement Plan" means the Recipient's procurement plan for the Project dated March 8, 2016, 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.
34. "Project Operational Manual" means the manual to be prepared and adopted by the Recipient in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, outlining implementation, institutional, administrative, financial management, accounting, procurement, disbursement, environmental, social, and monitoring and evaluation arrangements for purposes of the Project implementation, and such term includes any schedules or annexes to the Project Operational Manual, including: (a) an annex on financial and accounting procedures; and (b) an annex on procurement procedures, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the same may be amended from time to time with the prior written consent of the Association.
35. "RMNCAH" means reproductive, maternal, neonatal, child and adolescent health.
36. "Taxes" means taxes as defined in the General Conditions with the exclusion of value added taxes and custom duties.
37. "Technical Working Group" means the technical working group for the Project to be established and maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.



38. "Tender Board" means the tender board established in accordance with the Recipient's *Arrêté N. 006/A/MINMAP du 08 Mai 2013 portant création des Commission Speciales de passation des marchés auprès de certain Projets*, to be revised in accordance with Section I.A.3 of Schedule 2 to this Agreement.
39. "Training" means the costs of training under the Project, based on the Annual Work Plans and Budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. *Service Charge and Interest Charge*

- (a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.
  - (b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."
2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".
  3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.
5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).