

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5600-NG

Financing Agreement

(The Saving One Million Lives Initiative Program)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated MAY 22, 2015

CREDIT NUMBER 5600-NG

FINANCING AGREEMENT

AGREEMENT dated MAY 22, 2015, entered into between FEDERAL REPUBLIC OF NIGERIA ("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 three hundred fifty four million seven hundred thousand Special Drawing Rights (SDR 354,700,000) (variously, "Credit" and "Financing"), to assist in financing the program described in Schedule 1 to this Agreement ("Program").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association. The Recipient's Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is any of the following officials in the Federal Ministry of Finance: Minister, Minister of State, Permanent Secretary, or Director (International Economic Relations).
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 February 15 and August 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 Dollar.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the objective of the Program. To this end, the Recipient shall through the FMOF carry out the Program - or cause the Program to be carried out - 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 Program is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that an action has been taken or a policy has been adopted which results in any significant reversal of Program activities and/ or any activity implemented pursuant to the Program Action Plan.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 5.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Minister in the Federal Ministry of Finance.

- 6.02. The Recipient's Address is:

The Honorable Minister of Finance
Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Federal Republic of Nigeria

Cable address: Facsimile:

FEDMINFIN 234-9-2343609

- 6.03. The Association's Address is:

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

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.

AGREED at Abuja, Nigeria, as of the
day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By

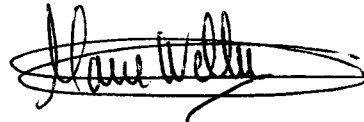

Authorized Representative

Name: Dr. Ngozi Okonjo-Iweala

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Marie Françoise Marie-Nelly

Title: Country Director

SCHEDULE 1

Program Description

The objective of the Program is to increase the utilization and quality of high impact reproductive, child health, and nutrition interventions.

The Program forms part of the Recipient's SOML Initiative and consists of the following activities:

1. Carrying out, by States, of programs of activities designed to increase utilization of High Impact Reproductive, Child Health and Nutrition Interventions such a program to include such activities as: (a) preparation of plans for achieve reductions in maternal, perinatal and under-5 child mortality; (b) carrying out of High Impact Reproductive, Child Health and Nutrition Interventions and (c) strengthening of MNCH Weeks.
2. Carrying out, by States, of program of activities designed to increase quality of High Impact Reproductive, Child Health and Nutrition Interventions.
3. Carrying out of a program of activities designed to improve monitoring and evaluation systems and data utilization, such a program to include such activities: (a) conducting SMART Surveys; (b) conducting Health Facility Surveys; (c) collecting data on maternal mortality rate through the Recipient's planned 2016 census or data collection alternative acceptable to the Association; (d) disseminating widely the results of SMART Survey and Health Facility Surveys; and (e) implementing performance management systems in all States and building and strengthening management capacity of leadership of the Federal Ministry of Health and ministries responsible for health at State level.
4. Establishment and operation of the Innovation Fund designed to support private sector innovations aimed at increasing utilization and quality of maternal and child health interventions including: (a) development and testing of new techniques and technologies; and (b) development and testing of innovations designed to expand the coverage and quality in health service delivery by private sector providers.
5. Carrying out of a program of activities designed to increase transparency in management and budgeting of primary health care (PHC) including such activities as: (a) transferring of health staff at health facility and LGA levels to SPHCDA's; (b) publication, by State ministry responsible for health, of consolidated budget execution report covering all sources and uses of funds for primary health care as State level; and (c) publication, by Federal Ministry of Health, of consolidated budget execution report covering all sources and uses of funds for primary health care at Federal level.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article IV of the General Conditions, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Association including those set forth in the ESSA and the Program Action Plan (“Program Fiduciary, Environmental and Social Systems”) which are designed to ensure that:

- (a) the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
- (b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Anti-Corruption

Without limitation on the provisions of Part A of this Section, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

C. On-financing Arrangements

1. To facilitate the carrying out of the Program, the Recipient shall make the proceeds of the Financing available to institutions and entities involved in Program implementation, including the States, in accordance with the Recipient’s standard arrangements for health sector financing.
2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Recipient’s standard arrangements for health sector financing, the provision of this Agreement and related instructions shall govern.
3. The Recipient shall protect its own interests and the interest of the Association while implementing the on-financing arrangements, in order to accomplish the purposes of the Financing.

D. Program Institutions

Without limitation upon Part A of this Section, the Recipient shall maintain at all times during Program implementation, adequate institutional arrangements satisfactory to the Association as necessary, to achieve the objectives of the Program as further detailed in the Program Implementation Manual, including the following Program Institutions:

- (a) Program Steering Committee which shall be chaired by the Federal Minister of Health and shall be responsible for *inter alia*, providing overall policy and strategic oversight and direction in the Program execution and reviewing the Program's progress, including the achievement of DLRs.
- (b) Program Management Unit, which shall be maintained at the Federal Ministry of Health and shall be responsible for *inter alia*, day to day management and coordination of the Program.
- (c) Program Technical Consultative Group, which shall be maintained at the Federal Ministry of Health and shall be responsible for providing advice to the Program Management Unit on technical matters related to Program activities.

E. Program Implementation Manual

1. No later than three (3) months after the Effective Date, the Recipient shall prepare a Program implementation manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for implementation of the Program including *inter alia*: (a) disbursement and flow of funds arrangements; (b) institutional arrangements; (c) financial management, governance and procurement systems; (d) environmental and social management systems including the ESSA and operation of grievance redress mechanism; (e) monitoring and evaluation, reporting and communication, including Program indicators; (f) Program Action Plan; (g) detailed arrangements for verification of achievement of the DLR (including the Verification Protocol); and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Program.
2. Without limitation upon the provisions of sub-paragraph 1 above, the manual referred to in sub-paragraph 1 shall have an annex containing provisions guiding the operations and procedures of the Innovation Fund (the Innovation Fund Manual) which the Recipient shall cause the Innovation Fund Manager to develop and adopt no later than twelve (12) months after Effective Date, all in the form and substance satisfactory to the Association.

3. The Recipient shall: (a) furnish to and exchange views with the Association on such manual promptly upon its preparation; and (b) thereafter adopt such manual as shall have been approved by the Association (Program Implementation Manual).
4. The Recipient shall ensure, and shall cause each State to ensure, that the Program is carried out in accordance with the arrangements and procedures set out in the PIM (provided, however, that in case of any conflict between the arrangements and procedures set out in the Program and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the PIM or any of its provisions without prior approval in writing by the Association.

F. DLR Verification Arrangements

1. No later than thirty (30) days after the Effective Date, the Recipient, through the Federal Ministry of Finance, shall recruit one or more organizations with experience, independence, and capacity and under the terms of reference acceptable to the Association (Independent Verification Agent[s]) to verify the data and other evidence supporting the achievement of one or more Disbursement Linked Results (DLRs) as set forth in Schedule 4 to this Agreement and recommend corresponding payments to be made, *inter alia*, to States as applicable.
2. The Recipient shall: (a) ensure that the Independent Verification Agent(s) carries/carry out verification process(es) in accordance with the Verification Protocol agreed with the Association; and (b) submit to the Association the corresponding verification reports in a timely manner and in form and substance satisfactory to the Association.
3. In the event there is a need for verification services prior to the recruitment of the firm in accordance with sub-paragraph 1 above, the Recipient shall put in place adequate interim arrangements satisfactory to the Association and approved in writing by the Association for verification of the DLRs.

G. Program Action Plan

Without limitation to the provisions of Section I.D of this Schedule, the Recipient shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in a manner satisfactory to the Association.

H. Innovation Fund

1. In order to implement the activities and achieve results under DLR 5, the Recipient shall: (a) not later than nine (9) months after the Effective Date, recruit

a private firm with qualifications, experience and terms of reference acceptable to the Association (“Innovation Fund Manager”); and (b) enter into the agreement with the Innovation Fund, under terms, conditions and milestones approved by the Association, for the purpose of implementing the said activities (“Innovation Fund Agreement”)

2. The Recipient shall exercise its rights and perform its obligations under the Innovation Fund 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 in writing, the Recipient shall not assign, amend, abrogate or waive the Innovation Fund Agreement or any of its provisions.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- (a) in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- (b) involve the procurement of: (i) works, estimated to cost fifty million Dollars (USD 50,000,000) equivalent or more per contract; (ii) goods, estimated to cost thirty million Dollars (USD 30,000,000) equivalent or more per contract; (iii) non-consulting services, estimated to cost twenty million Dollars (USD 20,000,000) equivalent or more per contract; or (iv) consultants’ services, estimated to cost fifteen million Dollars (USD 15,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

1. The Recipient shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 4.08 of the General Conditions. Each Program Report shall cover the period of one Fiscal Year, and shall be furnished to the Association not later than six (6) months after the end of the period covered by such report.
2. The Recipient shall: (a) on or about the date twenty four (24) months after the Effective Date (or such earlier or later date as agreed with the Association), prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Program during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities

performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Program and the achievement of its objectives during the period following such date; and (b) review with the Association the mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Program and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule 2 and Section 4.09 of the General Conditions, the Recipient shall have the 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 twelve (12) months after the end of such period.

Section IV. Withdrawal of Financing Proceeds

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 may specify from time to time by notice to the Recipient in order to finance the Program Expenditures, on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Recipient, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); all as set forth in the table in paragraph 2 of this Part A and Schedule 4 to this Agreement.
2. The following table specifies the categories for the withdrawal of the proceeds of the Financing and the allocated amounts of the Financing to each such Category including the Disbursement Linked Indicators. Notwithstanding the foregoing, the actual amounts authorized for disbursement ("Allocated Amount") and/ or the formula for their determination upon the achievement of an individual Disbursement Linked Result for any given Disbursement Linked Indicator financed under such Category, are set forth in Schedule 4 to this Agreement:

Category	Disbursement Linked Indicators	Amount of the Financing Allocated (expressed in SDR)
1	Disbursement under the Program for: DLI 1: Increase of utilization of High Impact Reproductive, Child Health and Nutrition Interventions	216,400,000
2	DLI 2: Increase of quality of High Impact Reproductive, Child Health and Nutrition Interventions	38,300,000
3	DLI 3 Improvement of monitoring and evaluation systems and data utilization	56,800,000
4	DLI 4 Establishment and operation of the Innovation Fund designed to support private sector innovations aimed at increasing utilization and quality of maternal and child health interventions	14,200,000
5	DLI 5 Increase of transparency in management and budgeting of primary health care	29,000,000
	TOTAL	354,700,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for purposes of Section 2.05 of the General Conditions, for payments for Program Expenditures made prior to the date of this Agreement except that withdrawal up to an aggregate amount not to exceed SDR 5,000,000 may be made for payments prior to this date but on or after June 3, 2014;
 - (b) for any DLR unless and until the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved and verified, all in accordance with the Verification Protocol; or
 - (c) for a DLR related to a DLI for a Year under Categories 1, 2, 3 and 5 unless the Recipient has furnished evidence satisfactory to the Association that an aggregate amount equivalent to the amount of

Financing withdrawn in respect of the DLR under said Category for the previous Year was, as applicable, transferred to States, in a timely manner in accordance with the provisions of this Agreement.

2. Notwithstanding the provisions of Part B.1(b) of this Section, if the Association is not satisfied that any of the DLR(s) has/have been achieved by end of each Fiscal Year or of the date by which the said DLR(s) is/ are set to be achieved and/ or the Allocated Amount(s) of such DLR(s) has/ have not been fully withdrawn, the Association may, at any time, by notice to the Recipient, decide, in its sole discretion, to:
 - (a) authorize the withdrawal of such lesser amount of respective Allocated Amount(s) allocated to any of DLR(s) which in the opinion of the Association, corresponds to the extent of achievement of said DLR(s);
 - (b) withhold all or a portion of the proceeds of the Financing then allocated to said DLR(s) until such DLR(s) is/ are satisfactorily met;
 - (c) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR(s) to any other DLR(s); and/or
 - (d) cancel all or a portion of the proceeds of the Financing then allocated to said DLR(s).
3. Notwithstanding the provision of Part B.1(b) of this Section, the Recipient may, at any point in time, withdraw the proceeds of the Financing up to an aggregate amount not to exceed the equivalent of twenty-five percent (25%) of the amounts of the Financing proceeds (net of any cancellations), as advance for purposes of achieving one or more DLRs for which the Recipient shall subsequently furnish the evidence referred to in Part B.1(b) of this Section; provided, however, that if by the end of the acceptable period for the verification of DLR(s), the Recipient has withdrawn amounts in excess of the Allocated Amounts authorized for disbursement as per Schedule 4 to this Agreement in respect of achieved and verified DLRs, the Association shall require the Recipient to refund the amount of such excess to the Association promptly upon notice thereof by the Association, in order for the Association to proceed with its cancellation. Notwithstanding the foregoing, the Association may, at any time, in its own discretion, exercise any of the actions set forth in paragraphs (a) and/ or (b) of Part B.2 of this Section in respect of any such amounts.
4. The Closing Date is December 31, 2019.
5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the Association that the Withdrawn Financing Balance does not exceed the total

amount of Program Expenditures paid by the Recipient, exclusive of any such expenditures financed by any other financier or by the Association or the Association under any other loan, credit or grant, the Recipient shall, promptly upon notice from the Association, refund to the Association such excess amount of the Withdrawn Financing Balance. The Association shall cancel the refunded amount of the Withdrawn Financing Balance.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2020 to and including February 15, 2030	1.65%
commencing August 15, 2030 to and including February 15, 2040	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.

SCHEDULE 4

Disbursement-Linked Indicator Matrix
Disbursement-Linked Indicators, Disbursement-Linked Results and Allocated Amounts

Disbursement Linked Indicator	Disbursement-Linked Results				
	Results to be Achieved in Year 0	Results to be Achieved in Year 1	Results to be Achieved in Year 2	Results to be Achieved in Year 3	Results to be Achieved in Year 4
DLI 1.1: # of States that have prepared plans - conforming to the criteria set forth in the PIM and in the Minutes of Negotiations - for achieving reductions in maternal, perinatal and under 5 child mortality.	States have prepared plans - conforming to the criteria set forth in the PIM and in the Minutes of Negotiations - for achieving reductions in maternal, perinatal and under 5 child mortality.				
Allocated Amounts	SDR 1,400,000 (\$2m) for each of the 20 poorest performing States, as judged by SMART Survey 2014, and SDR700,000 (\$1m) for each of the remaining 17 States				
DLI 1.2: Increase of utilization of High Impact Reproductive, Child Health and Nutrition Interventions as measured by		% improvements on all Key Health Indicators in States: (a) All States	% improvements on all Key Health Indicators in States: (a) All States	% improvements on all Key Health Indicators in States: (a) All States	% improvements on all Key Health Indicators in States: (a) All States

<p>Improvements on Key Health Indicators as indicated by SMART Surveys with data from SMART Survey 2014 providing baselines.</p>		<p>(b) Best two performers, each in North West and North East geopolitical zones (c) Best performers in each geopolitical zone other than NW and NE (d) Best performer nation-wide</p>	<p>(b) Best performers, each in North West and North East geopolitical zones (c) Best performers in each geopolitical zone other than NW and NE (d) Best performer nation-wide</p>	<p>(b) Best performers, each in North West and North East geopolitical zones (c) Best performers in each geopolitical zone other than NW and NE (d) Best performer nation-wide</p>	<p>(b) Best performers, each in North West and North East geopolitical zones (c) Best performers in each geopolitical zone other than NW and NE (d) Best performer national-wide</p>
<p><i>Allocated Amounts</i></p>		<p>(a) SDR 145,000 (\$205k) per 1% point increase above 6% per State (State has to meet this threshold to qualify as b, c or d,) (b) SDR 350,000 (\$500k) each (c) SDR 350,000 (\$500k) (d) SDR 700,000 (\$1m)</p>	<p>(a) SDR 145,000 (\$205k) per 1% point increase above 6% per State (State has to meet this threshold to qualify as b, c or d) (b) SDR 700,000 (\$1m) (c) SDR 350,000 (\$500k) (d) SDR 700,000 (\$1m)</p>	<p>(a) SDR 145,000 (\$205k) per 1% point increase above 6% per State (State has to meet this threshold to qualify as b, c or d) (b) SDR 700,000 (\$1m) (c) SDR 350,000 (\$500k) (d) SDR 700,000 (\$1m)</p>	<p>(a) SDR 145,000 (\$205k) per 1% point increase above 6% per State (State has to meet this threshold to qualify as b, c or d) (b) SDR 700,000 (\$1m) (c) SDR 350,000 (\$500k) (d) SDR 700,000 (\$1m)</p>
<p>DLI 1.3: Lagging States have strengthened their MNCH Weeks as part of an impact evaluation.</p>	<p>20 Lagging States have notified the PMU their agreement to participate in impact evaluations of MNCH Weeks</p>	<p>Increase in participation rates of children under 5 in MNCH Weeks from Baseline</p>	<p>Increase in participation rates of children under 5 in MNCH Weeks from Baseline</p>		
<p><i>Allocated Amounts</i></p>	<p>SDR 70,000 (\$100,000) per State</p>	<p>SDR 60,000 (\$80,000) per 1% increase per State</p>	<p>SDR 60,000 (\$80,000) per 1% increase per State</p>		

<p>DLI 2: % increase in quality of High Impact Reproductive, Child Health and Nutrition Interventions at primary health care facilities as measured through the Quality of Care Index</p>			<p>an increase in the Quality of Care Index (in %) in the State from Baseline</p>	<p>an increase in the Quality of Care Index (in %) in the State from Baseline</p>	<p>an increase in the Quality of Care Index (in %) in the State from Baseline</p>
<p><i>Allocated Amounts</i></p>			<p>SDR 17,800 (\$25k) per 1% increase per State under Quality of Care Index</p>	<p>SDR 17,800 (\$25k) per 1% increase per State under Quality of Care Index</p>	<p>SDR 17,800 (\$25k) per 1% increase per State under Quality of Care Index</p>
<p>DLI 3.1: Improving M&E systems a) SMART Surveys have been conducted in all 36+1 States; b) Annual Health Facility Surveys (harmonized based on SDI and SARA methodologies) have been introduced to cover all 36+1 States; c) Data on maternal mortality rate has been collected through the Recipient's planned 2016 census or data collection alternative acceptable to the Association.</p>	<p>(a) SMART Survey 2014 conducted in all 36+1 States (<i>Prior Result</i>)</p>	<p>a) SMART Surveys have been conducted in all 36+1 States; b) Health Facility Surveys have been conducted in all 36+1 States; c) Data on maternal mortality rate has been collected through the Recipient's planned 2016 census or data collection alternative acceptable to the Association.</p>	<p>a) SMART Surveys have been conducted in all 36+1 States; b) Health Facility Surveys have been conducted in all 36+1 States;</p>	<p>a) SMART Surveys have been conducted in all 36+1 States; b) Health Facility Surveys have been conducted in all 36+1 States;</p>	<p>a) SMART Surveys have been conducted in all 36+1 States; b) Health Facility Surveys have been conducted in all 36+1 States;</p>
<p><i>Allocated Amounts</i></p>	<p>SDR 5,000,000 (\$7m) for target (a) above;</p>	<p>SDR 1,400,000 (\$2m) for target (a) above; SDR 2,100,000 (\$3m) for target (b) above; SDR 1,400,000 (\$2m) for target (c) above.</p>	<p>SDR 2,500,000 (\$3.5m) for target (a) above; SDR 2,500,000 (\$3.5m) for target (b) above;</p>	<p>SDR 2,500,000 (\$3.5m) for target (a) above; SDR 2,500,000 (\$3.5m) for target (b) above;</p>	<p>SDR 2,500,000 (\$3.5m) for target (a) above; SDR 2,500,000 (\$3.5m) for target (b) above;</p>

<p>DLI 3.2 Improve data utilization a) The results of SMART I and harmonized Health Facility Survey data have been widely disseminated; and (publicly accessible on the Internet and published in at least one Nigerian national newspaper); b) Management capacity of pertinent state health and FMOH leadership has been strengthened.</p>	<p>Results of baseline SMART Survey 2014 widely disseminated (publicly accessible on the Internet and published in at least 1 national newspaper) (b) 10</p>	<p>(a) Yes (b) 10</p>	<p>(a) Yes (b) 20</p>	<p>(a) Yes (b) 36</p>	<p>(a) Yes (b) 36</p>
<p><i>Allocated Amounts</i></p>	<p>SDR 2,100,000 (\$3m)</p>	<p>SDR 3,500,000 (\$5m);</p>	<p>SDR 4,200,000 (\$6m);</p>	<p>SDR 4,200,000 (\$6m);</p>	<p>SDR 5,000,000 (\$7m);</p>
<p>DLI 3.3: Implementing Performance Management Performance management system has been implemented in the states</p>	<p>10</p>	<p>15</p>	<p>20</p>	<p>30</p>	<p>37</p>
<p><i>Allocated Amounts</i></p>	<p>SDR 1,500,000 (\$2m)</p>	<p>SDR 1,500,000 (\$2m)</p>	<p>SDR 2,100,000 (\$3m)</p>	<p>SDR 3,500,000 (\$5m)</p>	<p>SDR 4,200,000 (\$6m)</p>

<p>DLI 4: Establishment and operation of the Innovation Fund designed to support private sector innovations aimed at increasing utilization and quality of maternal and child health interventions</p>	<p>Agreement, with terms, conditions and milestones approved by the Association, signed between Innovation Fund Manager and FMoH</p>	<p>Satisfactory operation of the innovation fund according to the terms, conditions and milestones stipulated in the agreement with the Innovation Fund Manager</p>	<p>Satisfactory operation of the innovation fund according to the terms, conditions and milestones stipulated in the agreement with the Innovation Fund Manager</p>	<p>Satisfactory operation of the innovation fund according to the terms, conditions and milestones stipulated in the agreement with the Innovation Fund Manager</p>	<p>Satisfactory operation of the innovation fund according to the terms, conditions and milestones stipulated in the agreement with the Innovation Fund Manager</p>
<p><i>Allocated Amounts</i></p>	<p>SDR 1,400,000(\$2m)</p>	<p>SDR 3,200,000 (\$4.5m)</p>	<p>SDR 3,200,000 (\$4.5m)</p>	<p>SDR 3,200,000 (\$4.5m)</p>	<p>SDR 3,200,000 (\$4.5m)</p>
<p>DLI 5: (a) # of additional states - compared to previous year - that have transferred to their SPHCDA health staff at health facility and LGA levels. (b) # of States that have published on their respective state government websites consolidated budget execution report covering all sources and uses of funds for PHC at State level, within six months of end of corresponding FY; and (c) Whether FMoH has published on its website a report covering all sources and uses of funds for PHC at Federal level, within six months of end of corresponding FY</p>	<p>(a) 4 (b) 0 (c) Yes</p>	<p>(a) 7 (b) 4 (c) Yes</p>	<p>(a) 8 (b) 8 (c) Yes</p>	<p>(a) 9 (b) 12 (c) Yes</p>	<p>(a) 9 (b) 24 (c) Yes</p>

<i>Allocated Amounts</i>		SDR 350,000(\$500k) per State for target (a) above; SDR 220,000 (\$300k) per State for target (b) above; SDR 1,400,000 (\$2m) for target (c) above.	SDR 350,000(\$500k) per State for target (a) above; SDR 220,000 (\$300k) per State for target (b) above; SDR 1,400,000 (\$2m) for target (c) above.	SDR 350,000(\$500k) per State for target (a) above; SDR 220,000 (\$300k) per State for target (b) above; SDR 1,400,000 (\$2m) for target (c) above.	SDR 350,000 (\$500k) per State for target (a) above; SDR 220,000 (\$300k) per State for target (b) above; SDR 1,400,000 (\$2m) for target (c) above.
TOTAL	SDR 53,000,000 (\$75m)	SDR 64,000,000 (\$90m)	SDR 80,900,000 (\$114m)	SDR 77,400,000 (\$109m)	SDR 79,400,000 (\$112m)

APPENDIX

Section I. Definitions

1. “Allocated Amount” means the amount in Special Drawing Rights allocated to each individual DLR – or determined for each DLR pursuant to the formula detailed in Schedule 4 to this Agreement - as such amount may be increased, reallocated and or cancelled (whether partially or in its entirety) by the Association, as the case may be, in accordance with the provisions of Section IV.B.2 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012.
3. “Baseline” means the following reference points: (a) for the purpose of DLRs associated with DLI 1.3, baseline data from the SMART Survey 2014; and (b) for the purpose of DLRs associated with DLI 2 baseline data from a nationwide Health Facility Survey to be carried out in Year 0 or Year 1.
4. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “Disbursement Linked Indicator” and the acronym “DLI” mean in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement and in more detail in the first column of the matrix set forth in Schedule 4 to this Agreement.
6. “Disbursement Linked Result” and the acronym “DLR” mean each of the disbursement-linked targets/results set forth second through sixth columns of the matrix in Schedule 4 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn.
7. “ESSA” means the Environmental and Social System Assessment dated January 2015 and applicable to the Program which assesses the Recipient’s environmental and social management systems, detailing the Program’s environmental and social benefits, risks and impacts and recommending remedial measures to strengthen the social and environmental systems performance.
8. “Federal Ministry of Finance” and the acronym “FMOF” mean the Recipient’s ministry responsible for finance and includes any successor thereto.
9. “Federal Ministry of Health” and the acronym “FMOH” mean the Recipient’s ministry responsible for health and includes any successor thereto.

10. "Fiscal Year" and the acronym "FY" mean the Recipient's fiscal year commencing January 1 and ending December 31 in each year.
11. "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.
12. "Health Facility Surveys" means health facility surveys carried out annually by the Recipient's entities in form and substance acceptable to the Association, based on harmonized service delivery indicators (SDI) and service availability and readiness assessment (SARA) methodologies and buttressed by quality assurance mechanism which includes data collection on tablets.
13. "High Impact Reproductive, Child Health and Nutrition Interventions" means the following health services supported under the Program: (a) *Pentavalent3* vaccination of children under 5 years; (b) provision of modern methods of contraceptive; (c) provision of Vitamin A supplementation among children aged 6 – 59 months; (d) skilled birth attendance; (e) HIV counselling and testing among women attending antenatal care; and (f) use of insecticide treated nets by children under-5 to prevent Malaria.
14. "Independent Verification Agent" means any organization referred to in Section I.F.1 of Schedule 2 to this Agreement.
15. "Innovation Fund" means the fund referred to in Section I.H.1 of Schedule 2 to this Agreement, to be established by the Recipient under the SOML Initiative to support private sector innovations aimed at increasing utilization and quality of maternal and child health interventions.
16. "Innovation Fund Agreement" means the agreement referred to in Section I.H.1(b) of Schedule 2 to this Agreement.
17. "Innovation Fund Manager" means the private firm referred to in Section I.H.1(a) of Schedule 2 to this Agreement, which shall be recruited by the Recipient to manage and administer the Innovation Fund.
18. "Innovation Fund Manual" means the manual referred to in Section I.E.2 of Schedule 2 to this Agreement.
19. "Key Health Indicators" means the following six indicators used to track improvements due to High Impact Reproductive, Child Health and Nutrition Interventions: (a) *Pentavalent3* vaccination of children under 5 years; (b) contraceptive prevalence rate; (c) Vitamin A supplementation coverage for children aged 6 – 59 months; (d) skilled birth attendance; (e) HIV counselling

and testing during antenatal care; and (f) insecticide treated nets used by children under 5 years.

20. "Lagging States" means twenty states that are poorest performers in terms of Vitamin A and *Pentavalent3* coverage according to SMART Survey 2014.
21. "LGA" means a local government authority established and operating in the territory of each State pursuant to the laws of the Recipient and the State.
22. "MNCH Week" means maternal, newborn, and child health weeks, an initiative designed to increase the coverage of simple but effective, preventive interventions (such as childhood immunization, Vitamin A supplementation, nutrition assessment, and de-worming) through a weeklong campaign twice a year to mobilize and encourage communities to use routine services at primary health facilities.
23. "National Bureau of Statistics" means the Recipient's agency responsible for the development and management of official statistics, operating pursuant to the Recipient's Statistics Act No. 9 of 2007.
24. "North East" and the acronym "NE" mean a geopolitical zone constituted by the Recipient's States of Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe.
25. "North West" and the acronym "NW" mean a geopolitical zone constituted by the Recipient's State of Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto and Zamfara.
26. "Performance Management System in Place" for the purpose of determining whether such system is in place in State under DLI 3.2 (Schedule 4 to the Agreement) the State shall furnish documentary evidence confirming: (a) that the State has in place a lead official with commensurate mandate to be accountable for the performance management process in the health sector in the State; (b) the existing practice of continuous analysis of weaknesses in primary health care service delivery and development of appropriate action plans (verified by action plans and the analysis of results); (c) that at least two high level review meetings have been held during the year to discuss the analysis and agree upon action plans with at least one of the three followings State officials present: State commissioner for health, permanent secretary or executive director of SPHCDA (as verified by signed attendance of the meetings and minutes); and (d) active involvement of the Program's performance management officers in meetings at least twice a year, as well as ongoing support to state leads.
27. "Program Action Plan" means the set of priority actions agreed by the Association and the Recipient for the strengthening of the Recipient's sectoral and institutional framework referred to in Section I.G of Schedule 2 to this

Agreement, as the same may be amended from time to time with prior written approval of the Association.

28. "Program Fiduciary and Environmental and Social Systems" means the Recipient's systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.
29. "Program Implementation Manual" and the acronym "PIM" mean the manual for the Program referred to in Section I.E.3(b) of Schedule 2 to this Agreement, adopted by the Recipient to facilitate the fiduciary and coordination mechanisms under the Program, as the same may be amended from time with prior written approval of the Association.
30. "Program Management Unit" means the unit referred to in Section I.D(b) of Schedule 2 to this Agreement.
31. "Program Steering Committee" means the committee referred to in Section I.D (a) of Schedule 2 to this Agreement.
32. "Program Technical Consultative Group" means the entity referred to in Section I.D(c) of Schedule 2 to this Agreement.
33. "Quality of Care Index" means an index developed under the Program to track changes in quality of primary health care comprising of the following elements: the diagnostic accuracy and adherence to guidelines by health facility staff, availability of drugs and minimum equipment; readiness of facilities to deliver key SOML Initiative interventions; frequency and quality of the supervision provided to the facilities; and quality of financial management and reporting and with a formula set forth in the Program Implementation Manual.
34. "SMART Survey" means standardized monitoring and assessment of relief and transitions, household surveys including SOML Initiative indicators with robust quality assurance conducted annually by the National Bureau of Statistics with extensive technical support from UNICEF.
35. "SMART Survey 2014" means the SMART Survey conducted by the National Bureau of Statistics in the calendar year 2014.
36. "SOML Initiative" means the Recipient's program designed to save the lives of women and children in Nigeria through strengthening the planning, execution and monitoring of primary health care programs.
37. "SPHCDA" means the state primary health care development agency established and operating pursuant to the laws of respective State with the mandate for primary health care within a State, and for the purpose of this Agreement, the

term includes other agencies however named with the mandate for primary health care within a State.

38. "State" means any of the 36 states of the Recipient and the Federal Capital Territory, Abuja as defined in Articles 2 and 3 of the Constitution of the Federal Republic of Nigeria 1999.
39. "Verification Protocol" means the protocol, agreed with the Association, setting forth actions and mechanisms required for verifying the achievement of DLRs, dated February 9, 2015, and referred to in Section I.F.2 of Schedule 2 to this Agreement as the same may be amended from time to time with prior written approval of the Association.
40. "Year" means any of the Year 0 through 4 of the Program implementation as determined by the context, with Year 1 being the first full Fiscal Year after the date of the Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program", the term "the Project Agreement" is modified to read "the Program Agreement", the term "Project Implementing Entity" is modified to read "the Program Implementing Entity", the term "Project Report" is modified to read "Program Report"; and the term "Eligible Expenditures" is modified to read "Program Expenditures".
2. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
3. Section 2.02, *Special Commitment by the Association*, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.
4. In Section 2.02 (originally numbered as Section 2.03), the heading "*Applications for Withdrawal or for Special Commitment*" is replaced with "*Applications for Withdrawal*", and the phrase "or to request the Association to enter into a Special Commitment" is deleted.
5. The section originally numbered as Section 2.04, *Designated Accounts* is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.

6. Paragraph (a) of Section 2.03 (originally numbered as Section 2.05), *Eligible Expenditures* (renamed “Program Expenditures” in accordance with paragraph 1 of this Section II), is modified to read: “(a) the payment is for the financing of the reasonable cost of expenditures required for the Program and to be financed out of the proceeds of the Financing in accordance with the provisions of the Legal Agreements;”.
7. The last sentence of Section 2.04 (originally numbered as Section 2.06), *Financing Taxes*, is modified to read: “To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Financing, as required to ensure consistency with such policy of the Association.”
8. Section 2.06 (originally numbered as Section 2.08), *Reallocation*, is modified to read: “Notwithstanding any allocation of an amount of the Financing to a withdrawal category under the Financing Agreement, the Association may, by notice to the Recipient, reallocate any other amount of the Financing to such category if the Association reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.
19. 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.”

¹ Please note that the modifications set forth in this paragraph 9 and paragraphs 14 through 17 will only apply to credits (including single currency credits) to countries that receive IDA financing on blend or hard terms (i.e. with a 25 year maturity/5 year grace period).

10. Section 6.01, Cancellation by the Recipient, is modified to read: "The Recipient may, by notice to the Association, cancel any amount of the Unwithdrawn Financing Balance."
11. Paragraph (d) of Section 6.03, Cancellation by the Association, entitled "Misprocurement", is deleted, and subsequent paragraphs are relettered accordingly.
12. Section 6.04, Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Association, is deleted in its entirety, and subsequent Sections in Article VI and references to such Sections are renumbered accordingly.
13. In the Appendix, *Definitions*, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the term "Special Commitment" set forth in paragraph 50 is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.
14. 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".
15. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."
16. 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".
17. 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).