



LOAN NUMBER 8466-AL

Loan Agreement

(Health System Improvement Project)

between

REPUBLIC OF ALBANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *MARCH 24*, 2015

LOAN NUMBER 8466-AL

LOAN AGREEMENT

Agreement dated *MARCH 24*, 2015,
between the REPUBLIC OF ALBANIA (“Borrower”) and the INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower
and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty-two million one hundred thousand Euro (€32,100,000) (“Loan”) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in provisions of Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project, through the MoH, in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower 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 Borrower, through MoH, has prepared and adopted the Project Operations Manual in form and substance satisfactory to the Bank.
 - (b) The Borrower, through MoH, has established a PCU with adequate resources and recruited a project manager, financial management specialist and procurement specialist, all with qualifications and experience satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Minister of Finance.
- 5.02. The Borrower's Address is:

Ministry of Finance
Bulevardi "Deshmoret e Kombit"
Tirana
Albania

Facsimile:

355 4228494

5.03. The Bank's Address is:

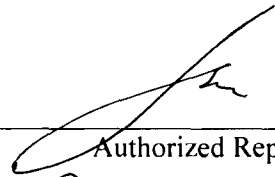
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Tirana, Republic of Albania, as of the day and year first above written.

REPUBLIC OF ALBANIA

By



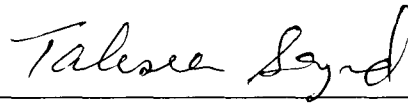
Authorized Representative

Name: SHKELQIM CANI

Title: MINISTER OF FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

By



Authorized Representative

Name: TAHSEEN SAYED

Title: COUNTRY MANAGER

SCHEDULE 1

Project Description

The objective of the Project is to contribute to: (a) improving the efficiency of care in selected hospitals in the Borrower's territory; (b) improving the management of information in the health systems; and (c) increasing financial access to health services.

The Project consists of the following parts:

Part 1. Improving Hospital Services

(a) Carrying out activities to strengthen the Borrower's network of hospital services including:

- (i) reviewing and updating the existing Hospital Master Plan;
- (ii) piloting in at least three of the Borrower's regions, the implementation of the revised Hospital Master Plan in hospitals to be transformed into primary care diagnostic facilities;
- (iii) carrying out an assessment of the current management of the Qendra Spitalore Universitare and recommending relevant improvements;
- (iv) reviewing the hospitals legal and administrative regulatory framework for increased autonomy and accountability in hospital services and recommending, if applicable, an improvement of said framework;
- (v) building the capacity of hospital management teams, MoH, HII, and other supervising health agencies on service planning, resource allocation, performance management, and implementation monitoring and contracting;
- (vi) developing benchmarks and indicators for profiling comparative hospital performance;
- (vii) updating, implementing and monitoring the implementation of the clinical guidelines and standards for hospital referrals;
- (viii) piloting patient-based social accountability mechanisms such as hot lines and cell-phone based feedback to enhance patient feedback and reduce informal payments; and
- (ix) developing National Health Accounts to support the budget analytical work in the health sector.

(b) rehabilitating and/or upgrading the infrastructure and medical equipment of selected hospitals based on the updated Hospital Master Plan; and

(c) establishing a national health center and developing a strategy for maintaining the medical equipment in the public health sector.

Part 2: Expanding the Health Management Information System/e- Health

(a) Carrying out activities to improve the accuracy and timeliness of clinical, financial and administrative information within and between regional hospitals, including:

- (i) developing a Master Plan for HMIS and e-health activities, a health data dictionary and health data model; and
- (ii) establishing a national health information center (the National Health Information Center); and the Essential Registries for the HMIS.

(b) establishing and implementing a hospital information system in selected regional hospitals and providing relevant training to personnel of said regional hospitals.

(c) implementing a new Health Insurance Information System for the HIF to automate processing of health insurance claims and improve HIF's oversight of the healthcare delivery system; including providing relevant training to HIF staff.

Part 3: Improving Health Financing System

(a) Carrying out activities to support payment system reforms in primary and hospital care including, strengthening HIF's capacity to collect and utilize health data; and introduce use of Capitation Payments for primary care and DRG payment system for hospitals.

(b) Designing and piloting pharmaceutical policies which reduce costs and improve access to affordable drugs.

Part 4: Monitoring, Evaluation and Project Management

Establishing and strengthening the capacity of the PCU to implement Project activities including: (a) carrying out fiduciary management, monitoring and evaluation activities; (b) conducting Project related surveys; and (c) implementing a communication strategy on the health reforms.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall:

- (a) through MoH, be responsible for the overall Project oversight and implementation; and
- (b) through MoH, establish and thereafter maintain throughout Project implementation, a PCU with key staff including a Project manager, a financial management specialist and a procurement specialist, all with qualifications, experience and terms of reference acceptable to the Bank.

2. In implementing Part 2 (a)(ii) of the Project, the Borrower shall, not later than twelve (12) months after the Effectiveness Date, establish and thereafter operate and maintain, the National Health Information Center with a structure, functions and resources satisfactory to the Bank.

B. Implementation Arrangements

Project Operations Manual

Without limitation to the provisions of Article V of the General Conditions, the Borrower shall, through MoH, ensure that:

- (i) the Project is carried out in accordance with the Project Operational Manual; and
- (ii) the Project Operational Manual or any part thereof is not amended, waived, suspended or abrogated without the Bank's prior written concurrence, and in case of any inconsistency between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. In carrying out Part I (b) of the Project, the Borrower through MoH, shall:
 - (i) carry out said Part of the Project in accordance with the Environmental Management Plan in a manner satisfactory to the Bank; and
 - (ii) provide to the Bank for its prior approval, any revision proposed to be introduced into said EMP, and thereafter only introduce such revision into said EMP as shall have been agreed with the Bank.
2. In case of a conflict between the EMP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Borrower, through MoH, shall ensure that the terms of reference of any consultancy in respect to the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through the MoH, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of six months and shall be furnished to the Bank not later than one month after the end of the period covered by each such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through the MoH, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower, through the MoH, shall prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower, through the MoH, shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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 Loan 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 Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions contained in paragraph 3 of this Section; (b) Shopping; and (c) Direct Contracting.
3. **Modifications to the Borrower's National Competitive Bidding Procedures.** The National Competitive Bidding procedures ("NCB") shall be based on the Open Tendering procedures as defined in the Public Procurement Law ("PPL") of Albania (Law No. 9643 dated November 20, 2006, as amended), provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the Procurement Guidelines and the following additional provisions:
 - (a) "Open Tendering" procedures as defined in the PPL of Albania shall apply to all contracts financed by the Bank.
 - (b) Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process. Government-owned enterprises in Albania shall be permitted to bid only if they are legally and financially autonomous and operate under commercial law of the Borrower. Registration shall not be used to assess bidders' qualifications.

- (c) Bids shall be opened in public in one location, immediately after the deadline for submission of bids in the presence of the representatives who choose to attend.
- (d) The procuring entities shall use sample bidding documents as approved by the Bank.
- (e) In case of higher bid prices compared to the official estimate, all bids shall not be rejected without the prior concurrence of the Bank.
- (f) A single-envelope procedure shall be used for the submission of bids.
- (g) Post-qualification shall be conducted only on the lowest evaluated bidder; no bid shall be rejected at the time of bid opening on qualification grounds.
- (h) Bidders in the form of a joint venture shall be held jointly and severally liable.
- (i) Before rejecting all bids and soliciting new bids, the prior concurrence of the Bank shall be obtained.
- (j) Contracts shall be awarded to the lowest evaluated, substantially responsive bidder who is determined to be qualified to perform in accordance with pre-defined and pre-disclosed evaluation criteria.
- (k) Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidder.
- (l) Contracts of long duration (more than 18 months) shall contain appropriate price adjustment provisions acceptable to the Bank.
- (m) Bid and contract guarantees shall be in the format included in the bidding documents referred to in (d) above. The bid guarantee shall be valid for twenty-eight (28) days beyond the original validity period of the bid, or beyond any period of extension if requested. No advance payments shall be made without a suitable advance payment guarantee.
- (n) The bidding document and contract as deemed acceptable by the Bank shall include provisions stating the Bank's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
- (o) In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract

performance, and to have them audited by auditors appointed by the Bank. Without limitation to the provisions set forth in paragraph 1.16 (a) (v) (bb) of the Procurement Guidelines, acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Procurement Guidelines shall constitute an obstructive practice as defined in the Procurement Guidelines.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultants Guidelines for the Selection of Individual Consultants; (f) Single-source Selection of consulting firms; and (g) Single source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in Euros)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works	6,760,000	63%
(2) Goods, Non-Consulting services	18,360,000	100%
(3) Consultant Services, Training and Operating Costs	6,500,000	100%
(4) Front-end Fee	80,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
(6) Unallocated	399,750	
TOTAL AMOUNT	<u>32,100,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed a hundred thousand Euros (€100,000) may be made for payments made prior to this date but on or after January 1, 2015 for Eligible Expenditures.
2. The Closing Date is February 28, 2021.

SCHEDULE 3

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawal Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On May 15 and November 15 Beginning May 15, 2022 through November 15, 2036	3.23%
On May 15, 2037	3.10%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
- (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an

Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

APPENDIX

Section I. Definitions

1. “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.
2. “Bank’s Safeguards Policies” means the Bank’s operational policies and procedures, set forth in the Bank’s operational manual and identified as OP/BP 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, as said manual is published under www.WorldBank.org/opmanual.
3. “Capitation Payments” means the total payments made by the Borrower to be provided to a health care facility based on agreed primary care services for each enrolled person in said health care facility within a defined period of time.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “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).
6. “Diagnostic-related Group” or “DRG” means a statistical system of classifying any inpatient stay in to groups for the purpose of payments to hospitals.
7. “e-Health” means electronic health information.
8. “Environmental Management Plan” or “EMP” means the Borrower’s plan for Part 1 (b) of the Project, dated June 2014, in form and substance satisfactory to the Bank including a checklist for mitigating potential environmental impacts, giving details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as such plan may be amended and/or supplemented from time to time with prior written approval of the Bank.
9. “Essential Registries” means the MoH facilities established to support the MoH in housing key documents on health facilities, staff and biomedical equipment, equipped with technology and software to enable public health institutions to share these key documents.
10. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

11. “Health insurance Fund” or “HIF” means a government agency responsible for managing health financing, established and operating pursuant to Council of Ministers Decision, March 1, 1995, or its legal successor thereto.
12. “Hospital Management Information System” or “HMIS” means the Borrower’s information system established to support management of the main functions in the hospitals.
13. “HMIS Master Plan” means the Borrower’s information system plan for improving coordination among development partners and outlining a strategy for the Borrower to focus its investments in the health facility units of the health sector.
14. “Hospital Master Plan” or “HMP” means the Borrower’s national plan dated April 2012 for the rationalization of public hospitals.
15. “MoH” means the Borrower’s Ministry of Health or its legal successor thereto.
16. “National Health Accounts” or “NHA” means the Borrower’s set of harmonized, integrated and comparable indicators of annual health expenditure data from public and private health units.
17. “National Health Information Center” or “NHIC” means the center to be established by the Borrower for the purpose of enhancing sustainability of the e-Health/HMIS initiatives and providing modern user support tools.
18. “Operating Costs” means the reasonable incremental expenses arising under the Project and consisting of expenditures for the maintenance of equipment, per diems for civil servants, (excluding salaries of Government civil servants) purchasing of office equipment, supplies, communication costs, advertising and fuel costs for field visits.
19. “Project Coordination Unit” or “PCU” means a unit referred to in Section 1.A.1 (b) of Schedule 2 to this Agreement.
20. “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).
21. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 23, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. “Project Operations Manual” means the Borrower’s manual acceptable to the Bank setting forth the policies and procedures that apply to the carrying out of the Project, which include, *inter alia*: (a) the roles and responsibilities of each of the agencies or entities involved in Project implementation; (b) the staffing

requirements for the Project; (c) the estimated implementation schedule; (c) procedures for accessing, disbursing and accounting for funds under the Project; (d) the indicators to be used in the monitoring and evaluation of the Project; (e) procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and (f) procurement and financial management procedures as the same may be amended from time to time with the prior written approval of the Bank.

23. "Qendra Spitalore Universitare" means the Borrower's national referral hospital established and operating pursuant to the Council of Ministers Decision No. 352 dated 1993 or its legal successor thereto.
24. "Training" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, said costs to consist of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses, workshops or study tour preparation (but excluding costs of consulting services).

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. 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.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

 - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
 - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.