Financing Agreement

(Maternal and Child Health and Nutrition Improvement Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Date: January 5, 2015, 2014
CREDIT NUMBER 5463-GH

FINANCING AGREEMENT

AGREEMENT dated January 5, 2015, entered into between REPUBLIC OF GHANA ("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 forty four million Special Drawing Rights (SDR 44,000,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum. The Payment Dates are April 15 and October 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
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 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 Condition of Effectiveness consist of the following, namely, that the HRITF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness or to the right of the Recipient to make withdrawals under said HRITF Grant Agreement (other than the effectiveness of this Agreement) has been fulfilled.

4.02. The Effectiveness Deadline is the date one hundred and twenty (120) 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 (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its minister responsible for finance.

5.02. The Recipient’s Address is:

Ministry of Finance
P.O. Box MB40
Accra, Ghana

Facsimile:

233-30-2667069
5.03. The Association’s address is:

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

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

AGREED at Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By

Authorized Representative

Name: SETHI TERKPER
Title: MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: MAHDIAR DIOP
Title: VICE PRESIDENT
SCHEDULE 1

Project Description

The objective of the Project is to improve utilization of community-based health and nutrition services by women of reproductive age especially pregnant women, and children under the age of two (2) years.

The Project consists of the following parts:

Part A: Community-based Maternal and Child Health and Nutrition Interventions

1. Strengthening Service Delivery.

(a) Carrying out a program of activities ("Sub-projects") to strengthen service delivery in community-based health and nutrition at the District ("District Beneficiaries") level, under community-based health planning and service delivery platform, including: (i) community-based interventions to promote registration of pregnant women into the National Health Insurance Scheme; (ii) complete antenatal care and delivery package; (iii) counseling women of reproductive age, follow-up home visits; (iv) outreach activities to encourage improved management of childhood illness at household level; and (v) mobilization of community members for growth monitoring, immunization of children, and nutrition education.

(b) Building the capacity of relevant central, regional and district authorities to plan, administer, and supervise the community-based health and nutrition interventions, including, training of trainers, developing and implementing, effective program of communication strategies for behavior change, design and conduct community-level training and mentorship activities for community health and nutrition providers, support district-to-district and community-to-community knowledge sharing and learning exchanges, and provision of training to community health officers and volunteers on the national medical waste management policy.

2. Community Performance Based Financing. Carrying out of a program of specific activities to deliver Packages of Maternal Health Services by District Health Management Team through respective community-based health teams (Community Based Health Teams), with a focus on improving health behaviors, use of health service, maternal and child care, including preventive services for pregnant women, delivery and post-natal care ("CPBF Program"), through the
provision of quarterly quantity- and quality-adjusted output-based grants (CPBF Services Grants).

Part B: Institutional Strengthening, Capacity Building, Supervision, Monitoring and Evaluation, and Project Management

1. Strengthening the institutional capacity for intersectoral coordination, ownership and accountability for health and nutrition, including: (a) develop and build the capacity for intersectoral coordination mechanisms; (b) develop and implement strategies that mainstream nutrition into the multisectoral development agendas at all levels; (c) harmonize implementation of health sector policies, protocols and procedures using community-based service delivery strategy; (d) harmonize implementation of policies, protocols and procedures of other sectors at the community level; and (e) develop guidelines and tools for service quality improvements.

2. Strengthening the institutional capacity of the MoH, the GHS and relevant institutions at the Regional and District levels for management, implementation, supervision and monitoring and evaluation, coordination and communication of Project activities, including: (a) use of community-based monitoring tools; and (b) carrying out independent verification of the results achieved under Part A.2 of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. MoH and GHS

   (a) The Recipient shall maintain, at all times during the implementation of the Project, the MoH and the GHS with functions, staffing and resources satisfactory to the Association.

   (b) Without limitation upon the provision of paragraph 1(a) immediately above, the MoH shall be responsible for the formulation of policies related to the Project and for the overall coordination and stewardship of the Project activities, and the GHS shall be responsible for the delivery of services supported through the Project, as set forth in the Project Implementation Manual.

2. Millennium Acceleration Framework Steering Committee

   (a) The Recipient shall maintain the Millennium Acceleration Framework Steering Committee (MAF-SC), with a composition, mandate, functions and resources satisfactory to the Association.

   (b) Without limitation upon the provision of paragraph 2(a) immediately above, the MAF-SC shall be responsible for: (i) oversight of Project activities; (ii) taking key policy decisions to ensure smooth implementation of the Project and achievement of its objective; (iii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; (iv) reviewing and approving the Project reports and annual work plans and budgets for the Project, all as set forth in the Project Implementation Manual.

3. Technical Advisory Group

   (a) The Recipient shall establish and maintain, at all times during the implementation of the Project, a technical advisory group (“Technical Advisory Group”) with functions, composition and resources satisfactory to the Association.
(b) Without limitation upon the provision of paragraph 3(a) immediately above, the Technical Advisory Group shall be responsible, *inter alia*, for: (i) developing action plans and providing guidelines, standards and technical support for the implementation of the Project; and (ii) approving the Sub-projects within the established thresholds for approval by the Technical Advisory Group, all as set forth in the Project Implementation Manual.

4. **Regional Director of Health Services and Regional Health Administration**

   (a) The Recipient shall maintain the Regional Director of Health Services within the GHS with the responsibility for the implementation and monitoring of Project activities at the Region and District levels.

   (b) Without limitation upon the provisions of paragraph 4(a) immediately above, the Recipient shall maintain in each beneficiary region, at all times during the implementation of the Project, a Regional Coordination Council (RCC) with functions, composition and resources satisfactory to the Association.

   (b) Without limitation upon the provision of paragraph 4(a) of this Part A, the Regional health administration shall be responsible, *inter alia*, for: (i) recommending, for approval by the Technical Advisory Group, Sub-projects prepared by the District Health Administration; and (ii) reviewing performance at the District level on a quarterly basis, as set forth in Project Implementation Manual.

5. **District Director, Community Health Officers**

   (a) The Recipient shall maintain in each Beneficiary District, at all times during the implementation of the Project, the District Director with functions and resources satisfactory to the Association.

   (b) Without limitation upon the provision of paragraph 5(a) immediately above, the District Director shall be responsible, *inter alia*, for: (i) monitoring and evaluating Project activities at the District level, including the activities carried out under the community-based health planning and services and community health officers and community volunteers; (i) ensuring the training of community health officers and community volunteers; and (iii) submitting District proposals for Sub-projects under respective annual work plans, and quarterly and annual progress reports to the Regional Director and the Technical Advisory Group.
B. Annual Program of Work

Not later than November 30 of each year during the implementation of the Project, the Recipient shall, through the MoH, prepare and furnish to the Association an annual work plan and budget, as part of the health sector annual work program ("Annual Work Program"), in form and substance satisfactory to the Association, detailing the Project activities and Eligible Expenditures planned for the following Fiscal Year.


1. The Recipient shall carry out Part A.1 of the Project in accordance with the arrangements and procedures set out in Sub-projects Implementation Manual containing, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Sub-projects; (b) fiduciary arrangements (i.e., financial management and procurement); (c) environmental and social safeguards guidelines; (d) defined eligibility criteria and approval, disbursement, administration, communication, monitoring and evaluation arrangements including key output indicators for Sub-projects; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the respective Sub-projects.

2. The Recipient shall carry out Part A.2 of the Project in accordance with the provisions of the Community Performance-based Financing Implementation Manual ("CPBF Implementation Manual"), containing, *inter alia*, the procedures and guidelines for implementation of the CPBF Program, including the following: (a) general guidance on content of each Package of Maternal Health Services (PMHS) to be delivered under the CPBF Program; (b) the methodology for calculating the unit price to be paid for each PMHS delivered, which unit price shall be calculated on the basis of a methodology acceptable to the Association ("Unit Price") and said methodology designed to ensure that the Unit Price: (i) does not exceed the reasonable cost of the PMHS to be delivered and financed under the CPBF Services Grant; and (ii) is scaled to reflect the quality of the PMHS delivered and the conditions of the locations where the PMHS is to be delivered; (c) excludes any amount of the cost of the PMHS which is to be financed under another source of financing; (d) the procedures for the evaluation and updating of the Unit Price for each PMHS; (e) the procedures for approval, monitoring and evaluation of each CPBF Program and for granting of a CPBF Services Grant, including, the designation of the Recipient's team to be responsible for the verification of the quality and quantity of the PMHS delivered under each CPBF Program ("Community Health Verification Team"); (f) maximum aggregate amount of all CPBF Services Grants which may be made during each Fiscal Year of the Recipient; and (g) a model form of a contract for the provision of a CPBF Services Grant ("CPBF Services Contract").
3. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Sub-projects Implementation Manual, or the CPBF Implementation Manual, without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in any of the said manuals and provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Sub-projects

1. General

The Recipient shall appraise, approve and monitor Sub-projects and administer the Sub-grants in accordance with the provisions set forth or referred to in this Part E and in more detail in the Sub-projects Manual.

2. Eligibility Criteria for Sub-projects

No proposed Sub-project shall be eligible for financing out of the proceeds of the Financing unless it has been determined in accordance with the guidelines set forth in the Sub-projects Manual that the proposed Sub-project satisfies the eligibility criteria specified in the Sub-projects Manual.

3. Terms and Conditions of Sub-grants

A Sub-project shall be carried out pursuant to an agreement ("Sub-grant Agreement"), to be concluded between the Recipient and the respective District Assembly, under terms and conditions described or referred to in more detail in the Sub-projects Manual and satisfactory to the Association, which, inter alia, shall include the following:

(a) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Sub-project;

(b) the modalities of transfer of funds for the financing of the Sub-project;

(c) the obligation of the District Assembly to: (i) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, environmental, financial, and managerial practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Sub-project and at the Association’s or the Recipient’s request, have such financial statements audited by
independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and (iii) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;

(d) the requirement that the goods and consultants’ services to be financed from the proceeds of the Sub-project Agreement shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Sub-project; and

(e) the right of the Recipient, to: (i) suspend or terminate the right of the District Health Administration to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the District Assembly’s failure to perform any of its obligations under the Sub-project Agreement; (ii) inspect by itself, or jointly with the Association, if the Association shall so request, the goods included in the Sub-project, the use thereof and any relevant records and documents; and (iii) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation and financial conditions of Sub-projects.

4. Administration of Sub-project Agreements

The Recipient shall exercise its rights under each Sub-project Agreement in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Project, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-project Agreement or any substantial provision thereof.

E. CPBF Program; PMHS; CPBF Performance Contracts

1. Eligibility

In order to ensure the proper implementation of Part A.2 of the Project, the Recipient shall, through respective District Health Management Teams (“DHMTs”) under the oversight of the GHS Regional Director, enter into CPBF Performance Contracts with the pertinent Community Health Teams (“CHTs”) for PMHS under the CPBF Program in accordance with eligibility criteria and procedures acceptable to the Association, which shall include, inter alia, the following:
(a) the Recipient, through GHS, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the CPBF Implementation Manual, that:

(i) a proposed CHT; (A) consists of certified and registered community health officers and midwives in a community, with the organization, management and technical capacity to carry out the proposed CPBF Program; and (B) has prepared a satisfactory implementation plan for the delivery of the PMHS under the CPBF Program; and

(ii) the proposed CPBF Program is technically feasible, and financially and economically sound and is in compliance with the Recipient’s environmental and social standards and policies.

(b) the: (i) aggregate amount of all CPBF Services Grants made in a given calendar year to a CHT shall not exceed the limit set out in the Annual Work Plan; and (ii) maximum amount of each CPBF Services Grant for PMHS under a CPBF Program shall not exceed 100 percent of the total estimated cost of the CPBF Program minus the amount of other funds allocated to finance such cost.

2. CPBF Performance Contract; Performance Based Results

(a) The Recipient shall through the GHS Regional Directors make each CPBF Services Grant to a CHT under a CPBF Performance Contract on terms and conditions satisfactory to the Association, as further described in the CPBF Implementation Manual, which shall include the following:

(i) criteria for payment of the CPBF Services Grant shall include achievement of the performance-based results for delivery of respective PMHS, as described in the CPBF Implementation Manual

(ii) each CPBF Performance Contract shall include the following provisions:

(A) the amount of the CPBF Services Grant shall not exceed the total estimated cost of PMHS under the CPBF Program; and the proceeds of the CPBF Services Grant shall be made available to a CHT on non-reimbursable grant terms;
(B) a description of the PMHS under the CPBF Program, the applicable rates for the services included thereunder, and applicable performance indicators;

(C) each CHT shall be required to carry out the pertinent PMHS with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices;

(D) each CHT shall be required to carry out the pertinent PHMS under the CPBF Program in accordance with the provisions of the Anti-Corruption Guidelines;

(E) each CHT shall be required to carry out the PHMS under the pertinent CBF Program in accordance with the provisions of the CPBF Operational Manual;

(F) the goods, non-consulting and consultants' services to be financed out of the proceeds of the CPBF Services Grant shall be used exclusively for the PMHS under the CPBF Program; and

(G) the Recipient shall have the right to: (1) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the CPBF Program, the operations thereof, and any relevant records and documents; (2) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the CHT through respective CHT's; and (3) suspend or terminate the right of the CHT through the respective CHT to use the proceeds of the CPBF Services Grant, or obtain a refund of all or any part of the amount of the CPBF Services Grant then withdrawn, as the case may be, upon failure by the CHT to perform any of its obligations under the CPBF Performance Contract; and

(b) The Recipient shall exercise its rights under the CPBF Performance Contract in such manner as to protect its interests and those of the Association (including, the right to suspend or terminate the right of the CHT through the pertinent CHT to use the proceeds of the CPBF Services Grant, or obtain a refund of all or any part of the amount of the CPBF Services Grant then withdrawn, upon the CHT's failure to perform any of its obligations under the CPBF Performance Contract Agreement) and to accomplish the purposes of the CPBF Services Grant, 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.

F. Verification of PMHS Delivery

1. Internal Verification

The Recipient shall, under terms of reference acceptable to the Association and elaborated in the CPBF Implementation Manual, ensure that the relevant District Health Verification Team verifies on a quarterly basis, the quality and quantity of the PMHS delivered under the CPBF Program, for which a CPBF Services Grant is requested.

2. External Verification

The Recipient shall not later than four (4) months after the Effective Date engage, in accordance with the provisions of Section III of this Schedule, consultants to conduct independent verifications of the delivery of PMHS by respective CHT's under CPBF Program. To this end, the Recipient shall, in accordance with terms of reference satisfactory to the Association, cause said consultants to carry out, throughout Project implementation, bi-annual verification exercises of CPBF Program and to provide the Recipient with reports of such exercises; such verification to include, inter alia, community surveys, DHMT and CHT spot checks, verification of data provided and records kept by health facilities in relation to the CPBF Program, and assessments of the quality of health services provided under said CPBF Program, all in accordance with the provisions of the CPBF Implementation Manual.

G. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of six months, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. The Recipient shall undertake in conjunction with the Association a comprehensive midterm review of the Project during the annual health sector review in the second year of implementation of the Project, during which the Recipient shall exchange views generally on all matters relating to the progress of the Project and the performance by the Recipient of its obligations under the Financing Agreement, having regard to the performance indicators referred to in paragraph 1 immediately above.

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. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

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 and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the exceptions set forth in paragraph 3 immediately below; (b) Direct Contracting; (c) Shopping; and (d) Procurement from the United Nations Children’s Fund and/or the Inter-Agency Procurement Services Office.

3. Exceptions to National Competitive Bidding Procedures. The following provisions shall apply to the procurement of goods and works under National Competitive Bidding procedures: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14(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 subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14(a)(v) of 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) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of
Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review.

All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services and consultants’ services (Sub-grants) under Sub-projects for Part A.1(a) of the Project</td>
<td>19,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) CPBF Services Grants under Part A.2 of the Project</td>
<td>3,200,000</td>
<td>50%</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, consultants’ services, Operating costs and Training for Parts A.1(3) and B of the Project</td>
<td>20,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>1,300,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>44,000,000</td>
<td></td>
</tr>
</tbody>
</table>
(a) "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on Annual Work Plans approved by the Association pursuant to Section I.B of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs of locally contracted employees, excluding the salaries of the Recipient's civil service.

(b) "Training" means the cost associated with the training, workshops and study tours, based on Annual Work Plans approved by the Association pursuant to Section I.B of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants' services), including: (a) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

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 SDR 1,600,000 equivalent may be made for payments made prior to this date but on or after September 30, 2014, for Eligible Expenditures under Category (3).

2. The Closing Date is June 30, 2020.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2019, to and including April 15, 2029</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing October 15, 2029, to and including April 15, 2039</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* 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 Program of Work" means the health sector program of work referred to in Section I.B of Schedule 2 to this Agreement.


3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. "CHT" means a community health team consisting of certified and registered community health workers and/or midwives, operating at the community or regional level.


7. "CPBF Implementation Manual" means the manual for Part A.2 of the Project, satisfactory to the Association, and referred to in Section I.C.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the Association.

8. "CPBF Performance Contract" means a contract between the GHS Regional Director's Office (through a DHMT) and a CHT, setting forth the terms and conditions for delivery of the PMHS under the CPBF Program and providing for a CPBF Services Grant.

9. "CPBF Program" means a specific development program for the delivery of PMHS to be carried out by a CHT under Part A.2 of the Project, on the basis of established eligibility criteria referred to in the CPBF Implementation Manual.

10. "CPBF Services Grant" means a grant made or proposed to be made out of the proceeds of the Financing to a Community Health Management Team pursuant to a CPBF Performance Contract.

11. "DHMT" means the District Health Management Team under the oversight of the District and Regional Directors, respectively, and charged with the responsibility for oversight of the respective CHTs in respective districts.
12. "District Beneficiary" means a District Health Administration, which has met the eligibility criteria specified in the Subprojects Manual (as hereinafter defined) and, as a result, has been extended, or is to be extended, a Sub-grant (as hereinafter defined) for the carrying out of a Sub-project.

13. "District Director" means the GHS Director for health services at the District level, referred to in Section I.A.5 of Schedule 2 to this Agreement.

14. "District Health Administration" means the Recipient's health administration at the district level under the oversight of the GHT.

15. "Financing Agreement" means the financing agreement referred to in Section 4.01 of this Agreement, dated the same date as this Agreement, providing for a credit in an amount of 44,000,000 million Special Drawing rights, as such agreement may be amended from time to time. "Financing Agreement" includes all appendices, schedules and agreements supplemental to the Financing Agreement.

16. "Fiscal Year" means the Recipient's fiscal year commencing January 1 and ending December 31 of each year.

17. "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.

18. "GHS" means the Ghana Health Service, an agency of the MoH.

19. "HRITF" means the Multi-Donor Health Results Innovation Trust Fund (TF No 01667).

20. "HRITF Grant Agreement" means the grant agreement of even date herewith referred to in Section 4.01 of this Agreement, providing for a grant in an amount of $5,000,000 for financing of Part A.2 of the Project, as such grant agreement may be amended from time to time. "HRITF Grant Agreement" includes all appendices, schedules and agreements supplemental to the HRITF Grant Agreement.

21. "Millennium Acceleration Framework Steering Committee" means the Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement, with the structure, functions and responsibilities acceptable to the Association, as set forth in the Project Implementation Manual.

22. "MoH" or "Ministry of Health" means the Recipient's Ministry responsible for health, or any successor thereto.
23. "National Health Insurance Scheme" means the Recipient's health insurance scheme established and operating pursuant to National Health Insurance Act, 2012 (Act 852) of the laws of the Recipient.

24. "Package of Material Health Services" or "PMHS" means a specific package of basic health services elaborated in the CPBF Operational Manual, to be delivered by a DM IT or a CHT under Part A.2 of the Project.


26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 7, 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.

27. "Project Implementation Manual" means the Recipient's manual for the Project, satisfactory to the Association, consisting respectively of the Sub-projects Implementation Manual and the CPBF Implementation Manual as set forth in Section I.C of Schedule 2 to this Agreement.


29. "Regional Director" means the MoH Director for health services at the regional level, referred to in Section I.A.4 of Schedule 2 to this Agreement.

30. "Sub-grant" means a grant made or to be made out of the proceeds of the Financing for the purpose of financing Eligible Expenditures required for a Sub-project in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

31. "Sub-grant Agreement" means an agreement entered into, or to be entered into, between the MoH, on behalf of the Recipient, and a District Health Administration, for the purpose of extending a Sub-grant to such District Assembly on the terms and conditions set forth or referred to in Section I.D.3 of Schedule 2 to this Agreement.

32. "Sub-projects" means a set of specific activities carried out or to be carried out by a District Health Administration under Part A.1 of the Project and financed or to be financed out of the proceeds of the Financing through a Sub-grant.
33. "Sub-projects Implementation Manual" means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement.

34. Technical Advisory Group" means the technical committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
Section II. Modifications to the General Conditions

The modifications to the General Conditions are 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 remaining 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". 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).

1 These modifications will only apply to credits to countries that receive IDA financing on blend or hardened terms (i.e. with a 25 year maturity/5 year grace period) and that are approved by the Executive Directors on or after July 1, 2011.