Financing Agreement

(Additional Financing For the Health System Support Project)

between

CENTRAL AFRICAN REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 19, 2015
FINANCING AGREEMENT

AGREEMENT dated [Friday, June 19] 2015, entered into between CENTRAL AFRICAN REPUBLIC ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement).

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 Original Financing Agreement, the Appendix to this Agreement and the General Conditions.

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 grant in an amount equivalent to eight million seven hundred thousand Special Drawing Rights (SDR 8,700,000) ("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 Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MOHP with support of the PPAs
for Part A of the Project and support of the EEA for Part 2 of 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 consists of the following: the amendment of the Co-financing Agreement to be consistent with the terms of this Financing has been executed by the parties thereto.

4.02. The Effectiveness Deadline is the date falling ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister responsible for economy.

5.02. The Recipient’s Address is:

Ministry of Economy
Rue Martin Luther King
BP 696, Bangui
Central African Republic

Facsimile:

+236-21-619689

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  

Washington, D.C.

AGREED at Bangui, Central African Republic, as of the day and year first above written.

[Signature]

CENTRAL AFRICAN REPUBLIC

Authorized Representative

Name: [Signature]
Title: Ministe de l'économie

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Authorized Representative

Name: [Signature]
Title: Representant Resident
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) increase utilization and improve the quality of maternal and child health services in targeted rural areas of the Recipient's territory; and (b) provide emergency health services to the general population.

The Project consists of the following parts:

Part A: Improvement of Health Facilities Performance Through Performance-Based Financing

(1) Provision of Performance-Based Financing ("PBF") through the provision of Sub-grants to Health Service Providers, to finance Subprojects under MCH Packages and Technical Support Packages in the Targeted Districts.

(2) Support to the implementation and supervision of Performance-Based Financing through: (a) the provision of training to strengthen the capacities of the Health Service Providers in the efficient provision of the Technical Support Packages and the MCH Packages and staff of MOHP in the effective management of the delivery of Technical Support Packages and MCH Packages; (b) monitoring and evaluation of the provision of Technical Support Packages and MCH Packages in Targeted Districts, including through verification activities and surveys; and (c) support to coordination efforts among local, district and regional stakeholders.

Part B: Strengthening of the Capacity of the Recipient's Ministry of Health and Population

(1) Strengthening Project monitoring and evaluation through, inter alia: (a) the establishment of an EEA; (b) independent verifications of the delivery of Technical Support Packages and MCH Packages by each Health Service Provider under its respective MCH Sub-project under Part A.1 of the Project; (c) strengthening of the Recipient's capacity through the implementation of management information systems; and (d) Performance Contracts at the central level.

(2) Support for Project implementation and coordination, through the carrying out of Minor Works for the refurbishment of the PIU and PBF Technical Unit, as well as the financing of Operating Costs of the PIU and PBF Technical Unit.

(3) Strengthening the capacity of the MOHP in the monitoring and evaluation and in the delivery of MCH packages, through the provision of goods, consultants' services and Training, to the general population and to internally displaced persons.
Part C: Emergency Health Services

Provision of emergency health services, including, *inter-alia*: reproductive health, child health and specific health services for internally displaced persons and vulnerable groups such as mothers and children, through the contracting of UN Agencies and NGOs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Health and Population

The Recipient shall vest overall responsibility for Project implementation in the Ministry of Health and Population.

2. Steering Committee

(a) The Recipient shall maintain throughout the period of Project implementation, the Steering Committee, whose mandate, composition and resources shall be satisfactory to the Association, to be responsible for, inter alia, overseeing the implementation of the Project, providing guidance to the PIU and the Performance Purchase Agencies, providing policy direction and approving the Annual Work Programs, with the technical support of the PBF Technical Unit.

(b) Without limitation to the provisions of paragraph (a) immediately above, the Steering Committee shall be chaired by a high level representative of MOHP, and be comprised of, inter alia, representatives of key directorates of the MOHP, the Recipient’s ministry in charge of planning, the Recipient’s ministry in charge of finance, and representatives from the donor community.

3. Project Implementation Unit

(a) The Recipient shall maintain throughout the period of Project implementation, the PIU, with terms of reference and resources satisfactory to the Association, and supported by qualified and experienced staff in adequate numbers, to be responsible for overall Project coordination and management.

(b) To this end, the Recipient shall ensure that the PIU is maintained with staff, with qualifications, experience, terms of reference and conditions of employment acceptable to the Association.
4. **PPAs**

To facilitate the implementation of Part A of the Project, the Recipient shall enter into a number of PBF Agency Agreements with PPAs in accordance with the provisions of Section 1.C of this Schedule.

**B. Project Manuals**

1. **Project Implementation Manual**

The Recipient shall ensure that the Project is implemented in accordance with the Project Implementation Manual containing, *inter alia*, detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for the Project.

2. **PBF Manual**

   (a) The Recipient shall cause each PPA to adopt, in accordance with terms of reference acceptable to the Association and furnish to the Association for its approval, PPA’s technical bid for services that complies with the PBF Manual, for the implementation of the Project in the Project areas in which said PPA will carry out its services under its PBF Agency Agreement. Said PBF Manual shall contain, *inter alia*, detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for its respective part of the Project (“PBF Manual”).

   (b) Without limitation upon the foregoing, said manual shall include, *inter alia*, a detailed elaboration of:

   (i) each Technical Support Package and each MCH Package to be delivered under the MCH Sub-projects;

   (ii) (A) the methodology for calculating the unit price to be paid for each Technical Support Package and each MCH Package to be delivered under MCH Sub-projects, each of which unit price shall be calculated on the basis of a methodology acceptable to the Association (“Unit Price”), and designed to ensure that the Unit Price: (AA) does not exceed the reasonable cost of the Technical Support Package or the MCH Package, as the case may be, to be delivered and financed under the MCH Sub-grants; (BB) is scaled to reflect the quality of the Technical Support Package or the MCH Package delivered, the conditions of the locations where the Technical Support Package or the MCH Package is to be delivered, and the need to ensure a balance between the Technical Support
Package or the MCH Package and other technical supports or health services that need to be made available in the Targeted District concerned; and (CC) excludes any amount of the cost of the Technical Support Package or the MCH Package which is to be financed under another source of financing and/or under another part of the Project; and (B) the procedures for the evaluation and updating of the Unit Price for each Technical Support Package and MCH Package;

(iii) a model form of agreement for the provision of a MCH Sub-grant;

(iv) the procedures for approval, monitoring and evaluation of MCH Sub-projects and for granting of MCH Sub-grants; and

(v) the procedures and criteria for development and delivery of training under the Project.

(c) The Recipient shall exchange views with the Association on each said PBF Manual; and shall thereafter cause the relevant PPA to adopt such PBF Manual as shall have been approved by the Association (including the initial Unit Price for each Technical Support Package and MCH Package).

3. The Recipient shall:

(a) ensure that the Project is carried out in accordance with the Project Implementation Manual and the PBF Manual, as the same may be updated from time to time with the prior written agreement of the Association;

(b) without limitation upon the foregoing, in each calendar year during the Project implementation period: (i) prepare, in accordance with terms of reference satisfactory to the Association and elaborated in the Project Implementation Manual, and furnish to the Association for its review, an evaluation of the Unit Price for each Technical Support Package and MCH Package and recommendations of any adjustment required to be made to said Unit Price to ensure that it continues to comply with the criteria set forth in Section I.B.2(b)(ii) of this Schedule 2; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on each said evaluation and recommendation; and (iii) promptly adopt and apply such adjusted Unit Price for each Technical Support Package and MCH Package as shall have been approved by the Association; and

(c) without limitation to the provisions of paragraphs (a) and (b) immediately above, not otherwise revise or waive any provision of the Project Implementation Manual and not permit any of the PPAs to revise or waive
any provision of the PBF Manual without the prior written agreement of the Association.

4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual or of the PBF Manual and those of the Financing Agreement, the provisions of the Financing Agreement shall prevail.

C. PBF Agency Agreements

1. To facilitate the implementation of Part A of the Project, the Recipient shall enter into, and thereafter maintain throughout the implementation of the Project, a PBF Agency Agreement with a PPA, pursuant to which the PPA shall be responsible for the implementation of Part A of the Project, including: (i) entering into MCH Sub-grant Agreements with Health Service Providers on behalf of the Recipient; (ii) financing Technical Support Packages and MCH Packages pursuant to such MCH Sub-grant Agreements; (iii) providing training and ongoing capacity building; (iv) supporting coordination efforts among local, district and regional stakeholders; and (v) developing, monitoring and evaluating the provision of Technical Support Packages and MCH Packages in Targeted Districts, including through verification activities (including compliance with Safeguard Documents, Anti-Corruption Guidelines, Procurement Guidelines and Consultant Guidelines) with respect to the Technical Support Packages and MCH Packages delivered, and surveys of the recipients of the Technical Support Packages and the MCH Packages.

2. The PBF Agency Agreements shall each include the following provisions:

(a) the obligation of the PPA to:

(i) carry out its activities under the PBF Agency Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient and in accordance with the relevant provisions of the Project Implementation Manual and the relevant PBF Manual;

(ii) maintain policies and procedures, which are adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities carried out under the PBF Agency Agreement;
(iii) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to activities carried out under the PBF Agency Agreement;

(A) open and thereafter maintain for a term equal to the term of the PBF Agency Agreement plus two years, two (2) separate accounts (collectively the “Transaction Accounts”), one for the exclusive purpose of depositing funds for payments to be made by the PPA to Heath Service Providers on behalf of the Recipient (the “MCH Performance Account”) and the other one for the exclusive purpose of depositing funds for the financing of the PPA’s operations (the “PPA Operation Account”);

(B) deposit funds in said Transaction Accounts in accordance with the provisions of the PBF Agency Agreement. The Transaction Accounts shall be opened in a commercial bank acceptable to the Association, with terms and conditions satisfactory to the Association including, inter alia, a waiver of any rights said commercial bank may have to set off any amount deposited in any of the Transaction Accounts with any other debt; and the PPA shall: (1) disburse funds from the Transaction Accounts for payments in accordance with the provisions of the PBF Agency Agreement; and (2) ensure that: (AA) all amounts deposited in the MCH Performance Account are used exclusively to make payments to Heath Service Providers in accordance with the detailed provisions, procedures, sequencing and timing in relation thereto as set forth in the PBF Manual, and in compliance with the Anti-corruption Guidelines, and (BB) all amounts deposited in the PPA Operation Account are used exclusively to make payments for the operations of the PPA in accordance with the detailed provisions and procedures in relation thereto as set forth in the PBF Manual, and in compliance with the Anti-corruption Guidelines; and

(C) promptly refund to the Recipient for further refund to the Association any proceeds from any of the Transaction Accounts not used for purposes of payment to Heath Service Providers or for purposes of payment for the operations of the PPA, as the case may be, in accordance
with the provisions of the PBF Agency Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;

(b) the right of the Recipient and the Association to:

(i) request an audit of the financial statements of the activities carried out under the PBF Agency Agreement by independent auditors acceptable to the Association in accordance with consistently applied auditing standards acceptable to the Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;

(ii) inspect the activities carried out under the PBF Agency Agreement, and any relevant records and documents; and

(iii) obtain all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association; and

(c) the right of the Association to make the PBF Agency Agreement and all financial statements audited pursuant to sub-paragraph (b)(i) immediately above available to the public in accordance with the Association’s policies on access to information.

3. The Recipient shall exercise its rights and carry out its obligations under the PBF Agency Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any PBF Agency Agreement or any of its provisions.

D. Anti-Corruption

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

E. Annual Work Programs

1. Each calendar year, the Recipient shall prepare a program of activities (including Training and Operating Costs) proposed for inclusion in the Project during the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of such activities; and (b) a proposed budget and financing plan for such activities. The Recipient shall furnish such program of activities to the Association as soon as available and in any case no later than November 30 each year, for its review and approval by the Association; except for the program of
activities for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date.

2. The Recipient shall exchange views with the Association on each such proposed annual work program, and shall thereafter carry out such program of activities during such following year as shall have been approved by the Association ("Annual Work Program").

3. Only those activities which are included in an Annual Work Program shall be included in the Project and eligible for financing out of the proceeds of the Financing.

4. The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Annual Work Program it shall include in the proposed Annual Work Program: (a) the objective and content of the training or workshop envisaged; (b) the selection method of the institutions or individuals conducting such training or workshop, and said institutions if already known; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the selection method of the personnel who will attend the training or the workshop, and said personnel if already known.

5. Annual Work Programs may be revised as needed during Project implementation subject to the Association’s prior approval.

F. MCH Sub-projects

1. Eligibility. In order to ensure the proper implementation of Part A.1 of the Project, the Recipient shall, through the PPAs, make MCH Sub-grants to Health Service Providers for MCH Sub-projects in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the PIM, which shall include the following:

(a) No proposed MCH Sub-project shall be eligible for a MCH Sub-grant to a Health Service Provider unless the PPA has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the relevant PBF Manual, that:

(i) the proposed MCH Sub-project: (A) is technically feasible and economically and financially viable; and (B) complies with the Safeguard Documents; and

(ii) the proposed Health Service Provider: (A) is a public or a private health service provider of MCH Packages located in a Targeted District, with the organization, management, technical capacity and financial resources necessary to carry out the proposed MCH
Sub-project; and (B) has prepared a satisfactory business plan, financing plan and budget for the proposed MCH Sub-project.

(b) The: (i) aggregate amount of all MCH Sub-grants made in a given calendar year to Health Service Providers in a Targeted District shall not exceed the equivalent of $400,000; and (ii) maximum amount of each MCH Sub-grant for a MCH Sub-project shall not exceed 100% of the total estimated cost of the MCH Sub-project minus the amount of other funds allocated to finance such cost.

(c) The following MCH Sub-grants shall be subject to the Association’s prior written approval and shall only be eligible for financing under the Financing if and to the extent approved by the Association: (i) the first three (3) MCH Sub-grants, regardless of the cost thereof; and (ii) each MCH Sub-grant for an amount equivalent to $50,000 or more.

2. MCH Sub-grant Agreements

The Recipient shall, through the PPAs, make each MCH Sub-grant under a MCH Sub-grant Agreement with the respective Health Service Provider on terms and conditions approved by the Association, which shall include the following:

(a) The MCH Sub-grant shall be made on a non-reimbursable grant basis.

(b) The PPA (on behalf of the Recipient) shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Health Service Provider to use the proceeds of the MCH Sub-grant, or obtain a refund of all or any part of the amount of the MCH Sub-grant then withdrawn, upon the Health Service Provider’s failure to perform any of its obligations under the MCH Sub-grant Agreement; and

(ii) require each Health Service Provider to:

(A) carry out its MCH Sub-project with due diligence and efficiency and in accordance with sound public health, environmental, social and administrative standards and practices acceptable to the Association, including in accordance with the relevant PBF Manual, the Safeguard Documents and the Anti-Corruption Guidelines;

(B) provide promptly, as needed, the resources required for the purpose;
(C) procure the goods and services required for the MCH Sub-project and to be financed out of the proceeds of the MCH Sub-grant in accordance with the provisions of Section III of this Schedule;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the MCH Sub-project and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations, resources and expenditures, including those related to the MCH Sub-project; and (2) at the Association’s, the PPA’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 Association, the PPA and the Recipient;

(F) enable the Association, the PPA and/or the Recipient to inspect its facilities, operations and any records and documents relevant to the MCH Sub-grant; and prepare and furnish to the Association and the Recipient all such information as either shall reasonably request relating to the MCH Sub-project;

(G) permit the Association to make the MCH Sub-grant Agreement and all financial statements audited pursuant to sub-paragraph (E)(2) immediately above available to the public in accordance with the Association’s policies on access to information; and

(H) prepare and furnish to the Recipient, the PPA and the Association all such further information as the Recipient, the PPA or the Association shall reasonably request relating to the foregoing.

3. The PPA shall exercise its rights and carry out its obligations under each MCH Sub-grant Agreement in such manner as to protect the interests of the PPA, the Recipient and the Association and to accomplish the purposes of the Financing.
Except as the Association shall otherwise agree, the PPA shall not assign, amend, abrogate or waive any MCH Sub-grant Agreement or any of its provisions.

G. External Evaluation Agency

Under Part B.2 of the Project, the Recipient shall, no later than nine (9) months after the Effective Date, engage in accordance with the provisions of Section III of this Schedule 2 and thereafter maintain, an EEA whose terms of reference, qualifications and experience shall be satisfactory to the Association, to monitor, evaluate and report on Part A(1) of the Project, and to conduct independent verifications of the delivery of Technical Support Packages and MCH Packages by each Health Service Provider under its respective MCH Sub-project, including through interviews with consumers of Technical Support Packages and MCH Packages and inspections of the Health Service Provider’s documentation and facilities.

H. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents. In particular, the Recipient shall ensure that for each activity under the Project of a type for which the Environmental and Social Management Framework provides that an ESMP is required, such ESMP, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan.

2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any PPA to do so.

3. Without limitation upon the other reporting obligations under this Agreement, the Recipient shall regularly collect and compile on a semi-annual basis, and submit to the Association as part of the Project Report, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.
I. Contractual and Regulatory Arrangements

To facilitate the carrying out of Part C of the Project, the Recipient shall: (i) enter into Service Agreements ("Service Agreements") with the UN Agencies and the NGOs, whose form and substance shall be satisfactory to the Association; (ii) ensure that all Project activities to be undertaken by the UN Agencies and the NGOs under their respective Service Agreements shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association; and (iii) ensure that each of UN Agencies and the NGOs shall exercise its rights and carry out its obligations under its respective Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive either Service Agreement or any provision thereof, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 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 (1) 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, Minor Works and Non-consulting Services.** All goods, minor works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

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

1.  **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, minor 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, Minor Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, minor works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)  National Competitive Bidding, subject to using National Standard Bidding Documents acceptable to the Association and complying with the following provisions</td>
</tr>
<tr>
<td>(i)  bids are advertised in national newspapers with wide circulation;</td>
</tr>
<tr>
<td>(ii) bid evaluation, bidder qualification and award criteria are specified clearly in the biddings documents;</td>
</tr>
</tbody>
</table>
(iii) bidders are given adequate response time (minimum four weeks) to prepare and submit bids;

(iv) bids are awarded to the lowest evaluated bidder proven this bidder is qualified;

(iv) eligible bidders, including foreign bidders, are not precluded from participating; and

(v) no preference margin is granted to domestic suppliers.

(b) Shopping

(c) Direct Contracting

(d) Performance Based Procurement

(e) Procurement from United Nations Agencies

(f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association

C. Particular Methods of Procurement of Consultants’ Services

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

2. Other Methods of Procurement of Consultants’ Services. The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th></th>
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<tbody>
<tr>
<td>(a)</td>
<td>Quality Based Selection</td>
</tr>
<tr>
<td>(b)</td>
<td>Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c)</td>
<td>Least Cost Selection</td>
</tr>
<tr>
<td>(d)</td>
<td>Single Source Selection</td>
</tr>
<tr>
<td>(e)</td>
<td>Selection Based on Consultant’s Qualifications</td>
</tr>
<tr>
<td>(f)</td>
<td>Procedures set forth in paragraphs 5.2 and 5.3 of the Consultants’ Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g)</td>
<td>Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association</td>
</tr>
</tbody>
</table>
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 Grant 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, consultants' services, Training and Operating Costs in Packages required for each MCH Subproject provided under each Technical Support Package and MCH Package and to be financed out of a MCH Subgrant under Part A(1) of the Project and paid at the Unit Price for said MCH Package</td>
<td>4,300,000</td>
<td>100% of amounts paid by the Recipient under the MCH Sub-grant</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Training and Operating Costs for Part A(2) of the Project</td>
<td>2,200,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(3) Goods, non-consulting services, consultants’ services, minor works, Training and Operating Costs for Parts B and C B of the Project | 2,200,000 | 100%

TOTAL AMOUNT | 8,700,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; and

   (b) under Category (1), until the following conditions have been met: (i) the Recipient has updated the PIM for the purposes of this Additional Financing; (ii) the Recipient has entered into a PBF Agency Agreement with a PPA in accordance with the provisions of Section I.C of Schedule 2 to this Agreement; (iii) said PPA has a PBF Manual finalized in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement in form and substance acceptable to the Association; and (iv) said PPA has opened a MCH Performance Account and a PPA Operation Account in accordance with the provisions of Section I.C.2(a)(iii) of Schedule 2 to this Agreement.

   (c) under Categories (1) and (2) until all HRITF financing for Categories (1) and (2) has been fully disbursed.

2. The Closing Date is March 31, 2019.
APPENDIX

Section I. Definitions


2. "Annual Work Program" means for each calendar year, the work program for that year approved by the Association in accordance with the provisions of Section I.E 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. "Co-financing Agreement" means the Trust Fund Grant Agreement.


6. "EEA" means and external evaluation agency to be hired by the Recipient under Part B (2) of the Project not later than nine (9) months after the Effective Date and referred to in Section I.G of Schedule 2 to this Agreement.


8. "ESMP" means "Environmental and Social Management Plan", the Recipient's document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity included under an Annual Work Program, that details: (i) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.

9. "EEA" means External Evaluation Agency, the entity referred to in Section I.G of Schedule 2 to this Agreement.

11. "Health Service Provider" means a health care center at the local, district or regional level, or an entity with regulatory responsibility at the district, regional or central level such as district medical team, regional health team, central level RBF Unit, to which the Recipient through a PPA proposes to make or has made a MCH Sub-grant for a MCH Sub-project in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.


13. "Indigenous Peoples Plan" means the Recipient's plan for the sharing of the indigenous communities in the benefits of the Project entitled "Projet d'Appui au Système de Santé en République Centrafricaine (PASS) – Cadre de Planification pour les Peuples Autochtones" and dated February 2012.

14. "MCH Performance Account" means the account opened or to be opened by a PPA in accordance with the provisions of Section I.C.2(a) of Schedule 2 to this Agreement for the exclusive purpose of depositing funds for payments to be made by the PPA to Heath Service Providers on behalf of the Recipient.

15. "MCH Package" means a specific package of maternal and child health services elaborated in a PBF Manual, to be delivered by a Health Service Provider in a Targeted District or part of a Targeted District under Part A.1 of the Project in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.

16. "MCH Sub-grant" means grant made or proposed to be made by the Recipient (through a PPA) to a Health Service Provider out of, inter alia, the proceeds of the Financing to assist in financing a MCH Sub-project.

17. "MCH Sub-grant Agreement" means an agreement, to be concluded between the Recipient (through a PPA) and a Health Service Provider, in accordance with the provisions of Section I.F.2 of Schedule 2 to this Agreement, pursuant to which the Recipient shall make an MCH Sub-grant out of the proceeds of the Financing to the Health Service Provider for a MCH Sub-project.

18. "MCH Sub-project" means a specific development project for the delivery of Technical Support Packages and/or MCH Packages, as the case may be, to be carried out by a Health Service Provider under Part A (1) of the Project utilizing the proceeds of a MCH Sub-grant.

19. "Ministry of Health and Populations" and "MOHP" each means the Recipient's ministry responsible at the time for health and populations.
20. “Minor Works” means minor works for the refurbishment of existing buildings which do not trigger the Bank Safeguard Policies.


22. “Operating Costs” means, for each Annual Work Program, the reasonable costs, which shall have been agreed by the Association under said Annual Work Program for the incremental expenses incurred by the PIU and PBF Technical Unit on account of Project implementation, consisting of: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding regular salaries of officials of the Recipient’s civil service).

23. “Operating Costs in Packages” means for the calculation of each Unit Price, the reasonable costs, which shall have been agreed by the Association as part of the PBF Manual and in accordance with Section I.B.3(b) of Schedule 2 to this Agreement, for the incremental expenses incurred by a Health Service Provider on account of Technical Support Packages or MCH Packages, consisting of: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for the Health Service Provider’s staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Health Service Provider and payments for overtime services performed by staff or bonuses for improved performance of staff (compared to base performance before the MCH Sub-Project), under MCH Sub-projects (but excluding regular salaries of officials of the Recipient’s civil service).

24. “Original Financing” means the Credit and the Grant in the amounts of SDR 6,050,000 and SDR 4,950,000 respectively provided by the Association, and of US$11,200,000 provided by the Multi-donor Trust Fund for Health Results Innovation in support of the Financing for the Health System Support Project.

25. “Original Financing Agreement” means the agreement concluded between the Association and the Recipient dated July 31, 2012, as amended on April 12, 2014, pursuant to which the original financing was made available to the Recipient.

26. “Original Project” means the project described in Schedule 1 to the Original Financing Agreement.

27. “PPA” means a performance purchase agency, selected in accordance with Section III of Schedule 2 to this Agreement and referred to in section I.C.1 of Schedule 2 to this Agreement.
28. "PPA Operation Account" means the account opened or to be opened by a PPA in accordance with the provisions of Section I.C.2 (a) of Schedule 2 to this Agreement for the exclusive purpose of depositing funds for the financing of the PPA's operations.

29. "PBF Agency Agreement" means the agreement entered into between the Recipient and each PPA, as referred to in Section I.C.1 of Schedule 2 to this Agreement.

30. "PBF Manual" means the manual prepared by the Recipient in March 2012, the implementation of its activities under its PBF Agency Agreement with the Recipient, prepared by the PPA and finalized in accordance with Section I.B.2 of Schedule 2 to this Agreement, and as updated for the purposes of this Project.

31. "PBF Technical Unit" means the unit established by the Recipient by decision (Arrêté) n° 110/MSPPLS/DIRCAB/CMCJ dated March 20, 2012.

32. "Performance Purchase Agency" or "PPA" has the meaning given to such term in Section I.C.1 of Schedule 2 to this Agreement.


34. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated 30 March 2015 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.

35. "Project Implementation Manual" or "PIM" means, collectively, the Recipient’s manual entitled "Projet d'Appui au Système de Santé (PASS) – Manuel d'Exécution" dated February 24, 2012, and the Recipient’s manual entitled "Projet d'Appui au Système de Santé (PASS) – Manuel des Procédures de Gestion Administrative, Comptable, Budgétaire et Financière" dated March 6, 2012, and adopted pursuant to the Original Financing Agreement, in form and substance satisfactory to the Association, and as updated by the Recipient for the purposes of this Project.

36. "Project Implementation Unit" and "PIU" each means the Project implementation unit established by the Recipient within MOHP pursuant to decision (arrêté) No. 111/MSPPLS/DIRCAB/CMCJ dated March 20, 2012 for the Project, and to be maintained in accordance with the provisions of Section I.A.3 of Schedule 2 to this Agreement.
37. "Safeguard Documents" means, collectively, the Environmental and Social Management Framework, the Indigenous Peoples Plan and the Health Waste Management Plan, as well as the Environmental and Social Management Plans, if required.

38. "Service Agreements" means the agreements to be entered respectively, between the Recipient and the UN Agencies, and the Recipient and the NGOs governing the terms and conditions under which the UN Agencies and the NGOs shall render services to the Recipient, including payment methods, reporting and transparency arrangements.

39. "Steering Committee" means the committee entitled "Comité de Pilotage du Projet d'Appui au Système de Santé en République Centrafricaine (COPIL PASS RCA)", established by the Recipient by decision (arrêté) no. 109/MSPPLS/DIRCA/BMCI dated March 20, 2012 and to be maintained in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement.

40. "Targeted District" means one of the Recipient's following districts (préfecture): Baboua, Berberati, Bouar, Nola, Bozoum, Paoua, Sibut, Kemo, Alindao, Mobaye, Kembe (or such other district as may be mutually agreed between the Association and the Recipient); and "Targeted Districts" means, collectively, all said districts.

41. "Technical Support Package" means a specific package of technical support services elaborated in a PBF Manual, to be delivered by a Health Service Provider in a Targeted District or part of a Targeted District under Part A.1 of the Project in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.

42. "Training" means, for each Annual Work Program, the reasonable costs, which shall have been agreed by the Association under said Annual Work Program for the training and workshops included in said Annual Work Program, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consulting services).

43. "Transaction Accounts" means, collectively, the two accounts opened or to be opened by a PPA in accordance with the provisions of Section I.C.2(a) of Schedule 2 to this Agreement.

44. "Trust Fund Grant" means an amount of eleven million two hundred thousand Dollars ($11,200,000), to be provided by the Bank and the Association, both acting as administrator of the Multi-donor Trust Fund for Health Results Innovation to the Recipient, to assist in financing the Project.
45. "Trust Fund Grant Agreement" means the agreement between the Recipient on the one hand and the Bank and the Association (both acting as administrator of the Multi-donor Trust Fund for Health Results Innovation) on the other, dated the same date as the Original Financing Agreement, providing for the Trust Fund Grant, as such grant agreement may be amended from time to time. "Trust Fund Grant Agreement" includes all appendices, schedules and agreements supplemental to the Trust Fund Grant Agreement.


47. "Unit Price" means, for each Technical Support Package and each MCH Package, the unit price thereof determined in accordance with the provisions of Section I.B.2(b)(ii) of Schedule 2 to this Agreement and the relevant PBF Manual.

48. "United Nations Fund for Population Activities" and "UNFPA" each means an agency of the United Nations established in 1969 to promote the right of every woman, man and child to enjoy a life of health and equal opportunity.

49. "United Nations International Emergency Children's Fund" and "UNICEF", each means an agency of the United Nations established in 1946 to provide long-term humanitarian and developmental assistance to children and mothers in developing countries.

50. "World Health Organization" and "WHO", each means a specialized agency of the United Nations established in 1948, with a mandate for international public health.