Loan Agreement

(Strengthening Public Health Care System Project)

between

REPUBLIC OF EL SALVADOR

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 30, 2012
LOAN AGREEMENT

Agreement dated April 30, 2012, between the REPUBLIC OF EL SALVADOR (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of eighty million Dollars (US$80,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are February 15 and August 15 in each year.

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

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice
versa, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

2.08. Without limitation upon the provisions of paragraph (a) of Section 2.07 of this Agreement and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to consecutive withdrawals from the Loan Account which in the aggregate equal or exceed eight million Dollars (US$8,000,000) shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through MINSAL, shall carry out the Project in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower, through MINSAL, shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Bank’s approval of the Loan which expires on January 21, 2013.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Ministry of Finance.

5.02. The Borrower’s Address is:
Boulevard de los Héroes 1231
San Salvador
El Salvador

Facsimile:
(503) 2225 7491
5.03. The Bank’s Address is:

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

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

AGREED at San Salvador, Republic of El Salvador, as of the day and year first above written.

REPUBLIC OF EL SALVADOR

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are to: (i) expand the coverage, quality and equity in utilization of priority health services provided under the RIISS; and (ii) strengthen MINSAL’s stewardship capacity to manage essential public health functions.

The Project consists of the following parts:

Part A: Expansion of Priority Health Services and Programs

1. Strengthening the quality and delivery capacity of priority health services under the RIISS through:
   
   (a) the gradual implementation of the CPHC Strategy, which includes, *inter alia*, the acquisition of medical equipment and the maintenance and minor rehabilitation of facilities; and

   (b) the improved delivery of selected priority public health programs, including those addressing, *inter alia*, maternal health, reproductive and sexual health, teenage pregnancy, child health, nutrition, dengue control, and chronic kidney disease.

2. Supporting the implementation of the SEM in about 16 eligible hospitals (to be selected in accordance with criteria acceptable to the Bank) through, *inter alia*:
   
   (a) improving the coordination between the national hospital system and other entities such as MINSAL, ISSS, Ministry of Defense, the National Civil Police, FOSALUD, and the Red Cross;

   (b) supporting the installation of a national call system for emergencies;

   (c) improving the resuscitation room equipment and the ambulances fleet;

   (d) training of medical and paramedic staff in the management of medical emergencies; and

   (e) strengthening medical emergency response at the community level.

Part B: Institutional Strengthening

1. Strengthening MINSAL’s institutional and management capacity to perform essential public health functions through, *inter alia*:
   
   (a) the improvement of the SUIS;

   (b) the implementation of a national pharmaceutical policy aimed to enhance quality, efficiency and security in the access of rational use of medicines as well as transparency in procurement; and

   (c) the support of the activities of the National Health Institute (including training of clinicians and lab technicians, surveillance, knowledge generation and research) and the Central Laboratory; and

2. (a) Developing an emergency preparedness plan for Public Health Emergencies; and (b) implementing said plan through the financing of the Eligible Public Health Expenditures.
Part C: Project Management and Monitoring

1. Supporting: (a) the monitoring of the Project activities through semi-annual, external technical reviews; (b) annual health facility surveys to assess the achievement of health coverage and results targets; and (c) an impact evaluation.

2. Assisting the PCU in carrying out the management, monitoring and supervision activities of the Project, including training and financial audits.

3. Strengthening UACI and UFI, the units performing the Project’s fiduciary activities.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A.  Institutional Arrangements

1. Until completion of the Project the Borrower, through MINSAL, shall maintain the following units within MINSAL with staff, structure and functions satisfactory to the Bank as described in the Project Operations Manual:

   (a) a Project Coordination Unit (the PCU) reporting directly to the Minister of MINSAL and responsible for the day-to-day management of Project activities, including: (i) preparing annual operational and procurement plans; (ii) overseeing procurement processes in conformity with Bank’s procedures; (iii) ensuring the timely implementation of the operational and procurement plans; (iv) providing all necessary technical inputs to Project activities; (v) ensuring efficient use of project funds and resources; (vi) preparing semi-annual technical progress reports; and (vii) monitoring and evaluation of Project results;

   (b) an Institutional Procurement and Contracting Unit (the UACI), reporting directly to the general operations manager of MINSAL and responsible for carrying out the procurement necessary for the Project activities, including: (i) preparing and updating as necessary an annual procurement plan, based on the annual operational plan; (ii) purchasing goods and medical supplies; and (iii) recruiting consultants needed for technical assistance; and

   (c) an Institutional Financing Unit (the UFI), reporting directly to the general operations manager of MINSAL and responsible for the financial management of the Project, including: (i) budget formulation and monitoring; (ii) cash flow management, including processing payments and submitting loan withdrawal applications to the Bank; (iii) maintenance of accounting records, including the administration and maintenance of an inventory of project assets; (iv) preparation and submission of in-year and year-end financial reports; (v) oversight of information systems; and (vi) organization of financial and operational audits.

2. Prior to carrying out any activities under Part B2 of the Project, the Borrower, through MINSAL, shall:

   (a) carry out all assessments required by the Bank (under terms of reference satisfactory to the Bank and with scope and detail satisfactory to the Bank) and prepare and implement all plans required by the Bank (under terms of reference satisfactory to the Bank and with scope and detail satisfactory to the Bank); and

   (b) submit to the Bank, for the Bank’s review and approval: (i) a proposed list of the goods, Consultant Services and Non-Consultant Services proposed to be financed under Category (3) of the Project (including a procurement plan); and (ii) an
estimated flow of funds needs. The Borrower, through MINSAL, shall carry out Part B.2 of the Project in accordance with the list and estimated flow of funds needs above-referred.

B. Anti-Corruption

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

C. Safeguards and Operational Manual

The Borrower, through MINSAL, shall carry out the Project in accordance with the provisions of:

(a) the Environmental Management Plan;

(b) the Indigenous Peoples Planning Framework; and

(c) a manual, satisfactory to the Bank, that will include, *inter alia*: (i) the procedures for the carrying out, monitoring and evaluation of the Project; (ii) the indicators to be used for Project monitoring and evaluation; (iii) the organizational structure of the Project, including the structure and terms of reference of personnel of the PCU, the UACI and the UFI; (iv) the Project procurement and financial management requirements and procedures; (v) the Project’s disbursement and auditing procedures; (vi) the list of Eligible Public Health Expenditures to be financed under Part B.2 (b) of the Project; and (vii) the list of the Borrower’s hospitals where Part A.2 of the Project will be carried out. In case of any inconsistency between any provision of the Project Operations Manual and this Agreement, the provision of this Agreement will prevail. Any amendment to the Project Operations Manual can occur only if acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower, through MINSAL, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than 45 days after the end of the period covered by such report.

2. For purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than 45 days after the Closing Date.
B. Financial Management, Financial Reports and Audits

1. The Borrower, through MINSAL, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower, through MINSAL, shall prepare and furnish to the Bank not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through MINSAL, shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

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

2. Consultants' Services. All Consultants’ Services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or 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 procedures.

2. Other Methods of Procurement of Goods and Non-Consulting Services. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for Goods and Non-Consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used.
**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 the 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>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection of Consulting Firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single Source Procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

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

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

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower, through MINSAL, may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Non-consultant Services, Consultants’ Services,</td>
<td>45,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs under A.1 and A.2 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, Non-Consultant Services and Consultants’ Services under</td>
<td>26,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Part B.1 and B.2 (a) of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Eligible Public Health Expenditures under Part B.2 (b) of the</td>
<td>5,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Goods, Works, Non-consultant Services, Consultants’ Services,</td>
<td>3,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs under Part C.1, C.2 and C.3 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Front-end Fee</td>
<td>200,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>80,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this paragraph:

(a) the term “Non-Consultant Services” means logistical service expenses for capacity building events, printing of training materials and media campaigns, as well as other services which are not rendered by consultants, obtained at reasonable cost on account of Project implementation and which are not covered in the definition of Training and Operating Costs;

(b) the term “Operating Costs” means the operational costs (which would not have occurred absent the Project, including, *inter alia*, equipment and computer maintenance, office supplies, utilities, and communication costs) and the
supervision and monitoring costs of the Project incurred by the PCU, UACI and UFI (including, *inter alia*, travel, *per diem*, accommodation, operation and maintenance of vehicles, repairs, fuel, spare parts and insurance, maintenance of the monitoring and information system, supervisory and quality control activities, but excluding expenditures for salaries and related benefits); and

(c) the term “Training” means reasonable: (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:

   (a) under Part B.2 unless: (i) a Public Health Emergency has been declared by MINSAL; and (ii) the Borrower has provided a letter to the Bank including: (A) legal evidence, satisfactory to the Bank, of the declaration of a Public Health Emergency; (B) a list of the Goods, Consultants’ and Non-Consultant Services proposed to be financed under Category (3) of the Project to address the needs of the Public Health Emergency (including a procurement plan) acceptable to the Bank; and (C) the estimated flow of funds needs.

2. The Borrower and the Bank hereby agree that, in the event that the condition referred in Section B.1 (a) above has not been met and either two-thirds of the total amount of the loan have been disbursed or any funds allocated to Part B.2 remain unwithdrawn by a date thirty-six (36) months after the Effective Date (whichever comes first), the Bank may, at the request of the Borrower, reallocate such amounts to other parts of the Project as agreed by the Borrower and the Bank.

3. The Closing Date is June 30, 2016.

**Section V. Other Undertakings**

By January 30, 2014, or such other date as the Bank shall agree upon, the Borrower, through MINSAL, shall:

1. Carry out jointly with the Bank, a mid-term review of the implementation of operations under the Project (Midterm Review). The Midterm Review shall cover the progress achieved in the implementation of the Project.

2. Following such Midterm Review, act promptly and diligently to take corrective action as shall be recommended by the Bank.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15</td>
<td>2%</td>
</tr>
<tr>
<td>Beginning August 15, 2016 through February 15, 2041</td>
<td></td>
</tr>
</tbody>
</table>

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

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


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

3. “Central Laboratory” means the Max Bloch national laboratory operated by MINSAL, established through Ministerial Decree No. 661 of December 5, 2006 issued by MINSAL.

4. “CPHC Strategy” means the Comprehensive Primary Health Care Strategy prepared by MINSAL on June 1, 2009, aimed at improving the Borrower’s health care system, which includes the following components: (i) the adoption of a multisectoral approach on primary health care; (ii) the involvement of local communities in the management of local health care services; and (iii) the use of the RISS.


6. “Eligible Public Health Expenditures” means the expenditures to be financed with Loan proceeds under Part B.2(b) of the Project (including medical supplies and equipment; contracting of temporary staff such as nurses, physicians, environmental health inspectors and community health promoters; land and water; transportation equipment; fuel and petroleum products; telecommunication equipment; food and water containers and any other items which may be acceptable to the Bank and agreed to by the Borrower, through MINSAL, and the Bank) and listed in the Project Operations Manual, and thus said set of expenditures constitute a subset of the Eligible Expenditures defined in the General Conditions.

7. “Environmental Management Plan” means MINSAL’s environmental management plan dated October 2010, published in the Bank’s InfoShop on March 22, 2011 and on MINSAL’s website on March 10, 2011, as such plan may be amended from time to time with the prior approval of the Bank, which includes recommendations to, inter alia: (i) provide training for the MINSAL staff on bio-hazard waste management; (ii) establish procedures on hospital waste management; (iii) acquire equipment for the disposal of bio-hazard waste; and (iv) conduct environmental diagnostic studies.

8. “FOSALUD” means Fondo Solidario para la Salud, the Borrower’s health support fund created through Decree No. 538 of December 17, 2004.

10. “Indigenous Peoples Planning Framework” means MINSAL’s indigenous people planning framework dated February 2011, published in the Bank’s InfoShop on March 22, 2011 and on MINSAL’s website on March 10, 2011, as such framework may be amended from time to time with the prior approval of the Bank, which includes guidelines to, inter alia: (i) provide training for the MINSAL staff on cultural appropriateness strategies; (ii) improve an informed consultation process; (iii) prepare and carry out an indigenous peoples action plan, acceptable to the Bank, through which indigenous peoples will receive culturally-sensitive and appropriate health services; (iv) monitor and evaluate the effective implementation of the action plan mentioned in (iii) herein; and (v) conduct mid-term and final evaluations of the social impact of the Project.

11. “ISSS” means Instituto Salvadoreño del Seguro Social, the Borrower’s Social Security Institute created through Decree No. 1263 of December 3, 1953.

12. “MINSAL” means Ministerio de Salud, the Borrower’s Ministry of Health.

13. “National Health Institute” means the Borrower’s scientific technical organization under the guidance of MINSAL and aimed at improving the Borrower’s population’s health, established through Ministerial Decree No. 9894 of September 13, 2010 issued by MINSAL.

14. “SEM” means Sistema de Emergencias Médicas, the Borrower’s national medical emergencies system to be established and implemented by MINSAL in coordination with ISSS; the Ministry of Defense; the National Civilian Police; and FOSALUD, and aimed at ensuring the provision of pre-hospital care in emergency sites and the transfer of injured people to health care facilities.

15. “PCU” means the unit referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.


17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 28, 2011 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.

18. “Project Operations Manual” means the manual referred to in Section I.C (c) of Schedule 2 to this Agreement and approved by the Bank on May 24, 2011.

19. “Public Health Emergency” means: a state of public health emergency declared by MINSAL, through the issuance of a ministerial decree, in connection with catastrophic disasters generated by natural geological phenomena, including, inter alia: earthquakes, tsunamis, volcanoes and landslides; hydro-meteorological phenomena, including inter alia: floods, hurricanes, El Niño/La Niña, and storm surges; epidemics and/or any other disasters that might affect the health of the Borrower’s population, as such state of public
health emergency is regulated by articles 139 and 184 of the Borrower’s Health Code (Código de Salud).


21. “SUIS” means the Borrower’s “Single Unified Health Information System”, established by MINSAL and aimed at centrally managing the data on patients, hospitals and health facilities collected by MINSAL.

22. “UACI” means the unit referred to in Section I.A.1 (b) of Schedule 2 to this Agreement.

23. “UFI” means the unit referred to in Section I.A.1 (c) of Schedule 2 to this Agreement.