Agreement Providing for the Amendment and Restatement of the Financing Agreement

(Improving Maternal and Child Health through Integrated Social Services Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 14, 2013

As Restated and Amended on May 3, 2017
GRANT NUMBER H864-0-HT

FINANCING AGREEMENT

AGREEMENT dated June 14, 2013, as amended and restated on May 2, 2017, entered into between REPUBLIC OF HAITI ("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 grant in an amount equivalent to forty-six million seven hundred thousand Special Drawing Rights (SDR 46,700,000) ("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 the 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 Parts A and B.1 of the Project through MSPP, and shall cause: (i) Part B.2 of the Project to be carried out by FAES pursuant to the provisions of the Subsidiary Agreement; and (ii) Part C of the Project to be carried out by IHSI pursuant to the provisions of the Agreement for the Provision of Technical Assistance, all 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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) FAES's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of FAES to perform any of its obligations under the Subsidiary Agreement.

(b) FAES shall have failed to comply with any of its obligations under the Subsidiary Agreement.

(c) IHSI's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of IHSI to perform any of its obligations under the Agreement for the Provision of Technical Assistance.

(d) The Recipient shall have failed to comply with any of its obligations under the Co-financing Agreement or the Agreement for the Provision of Technical Assistance.
ARTICLE V — TERMINATION

5.01. 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister of Economy and Finance.

6.02. The Recipient’s Address is:

Ministère de l’Economie et des Finances
5, Avenue Charles Sumner/Turgeau
Port-au-Prince
Republic of Haiti

6.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at May 3, 2017, as of the day and year
first above written. Port-au-Prince, Haiti

REPUBLIC OF HAITI

By

Authorized Representative

Name: Jude Alix Patrick Salomon
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Mary Barton-Dock
Title: Special Envoy
SCHEDULE 1

Project Description

The objective of the Project is to increase the access to and use of maternal and child health, nutrition and other social services in the Recipient’s territory.

The Project consists of the following parts:

Part A: Providing Maternal and Child Health, Nutrition and Social Services

1. (a) Improving the quality and supply of maternal and child health services of selected public health providers based on the eligibility criteria set forth in the MSPP Operations Manual through small-scale rehabilitation, equipment, medical supplies, essential health commodities and training of, and technical assistance to health personnel as well as the preparation of a communication strategy through the carrying out of works and the provision of goods, consultants’ services and Training; (b) carrying out a program of activities to maintain and strengthen external controls in relation to, including carrying out of, third-party verification of, the Packages of Maternal and Child Health and Nutrition Services in terms of quantity and quality through the provision of consultants’ services; (c) using Results-Based Payments in support of: (i) the delivery of a Package of Maternal and Child Health and Nutrition Services including: (A) preventive services, such as immunization, micronutrient supplementation, cholera prevention and promotion of insecticide-treated bed-nets; (B) promotion of health services, such as increasing prevalence of exclusive breast-feeding and use of family planning; (C) basic curative services, such as treatment of acute respiratory infections, cholera and other diarrheal diseases, other childhood illnesses, and tuberculosis; and (D) reproductive health services, such as family planning, prenatal care, emergency obstetrical care, and post-partum care; and (ii) the delivery of Packages of Health Service-Related Activities including a program of monitoring and supervision activities by select departmental health authorities and public health supervisory units for the delivery of the Packages of Maternal and Child Health and Nutrition Services; and (d) providing technical assistance to health providers and knowledge generation including surveys and studies for activities under Part A.1(c) above to enhance their ability to achieve results in relation to said activities.

2. Prevention and treatment of cholera and other diarrheal and contagious diseases by: (a) scaling up interventions for cholera prevention and treatment in the following areas: (i) epidemiological surveillance; (ii) health care; (iii) promotion and prevention; and (iv) water and sanitation, including related capacity building at central, departmental and community levels; and (b) support surveillance, preventative and curative activities, and capacity building for contagious diseases in non-emergency situations.
3. Provision of a Contingent Emergency Response to improve the Recipient’s response capacity in the event of an Eligible Crisis or Emergency in order to: (a) support the Recipient in first response efforts; (b) help to coordinate the early recovery phase; and (c) bridge the financing gap to the longer term recovery and reconstruction phases.

Part B: Strengthening the Stewardship and Management Capacity

1. Strengthening MSPP’s stewardship and management capacity, increasing the capacity of the departmental health authorities in supervision and monitoring of health service delivery and conducting surveys and studies and preparing a nationwide healthcare waste management strategy and plan, all through the provision of goods, consultants’ services and Training.

2. Strengthening the institutional capacity of the Recipient at the central, municipal, and community levels, to enhance coordination, organization, management, and social service delivery to families, by: (a) setting up a social registry for the identification and tracking of beneficiaries and social assistance programs; and (b) supporting FAES for the management, supervision, monitoring and evaluation, procurement, and financial management of said social registry, through the carrying out of works and the provision of goods, consultants’ services, Training and Operating Costs.

Part C: Piloting Vulnerability Indicators for More Targeted Social Service Delivery

Piloting the calculation of vulnerability indicators as a key step in targeting the vulnerable in the delivery of social services by supporting IHSI in the preparation of the Fifth General Population and Housing Census, including: (a) the completion of maps, training manuals and materials, and the Fifth General Population and Housing Census questionnaire; (b) a national communications campaign promoting the Fifth General Population and Housing Census and its impacts; (c) the setting up of a management structure for the Fifth General Population and Housing Census and the building of capacity for IHSI staff and trainers; (d) the carrying out of the Fifth General Population and Housing Census in four departments in the Recipient’s territory selected for their challenges (physical accessibility, internet access, and limited infrastructure and staff); and (e) the production of vulnerability clusters in these four selected departments.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of Parts A and B.1 of the Project in MSPP, and shall cause FAES and IHSI to carry out respectively, Parts B.2 and Part C of the Project. The Recipient shall ensure that MSPP and FAES shall carry out the Parts of the Project under their responsibility in accordance with the MSPP Operations Manual and the FAES Operations Manual respectively, and except as the Association shall otherwise agree, the Recipient shall: (a) through MSPP, not assign, amend, abrogate or waive any provision of the MSPP Operations Manual; and (b) cause FAES not to assign, amend, abrogate or waive any provision of the FAES Operations Manual if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the carrying out of the Project under their responsibility or the achievement of the objectives thereof.

2. For the purpose of ensuring the proper coordination and execution of the Project, the Recipient shall operate and maintain the Steering Committee within MSPP throughout the duration of the Project. The Steering Committee shall be chaired by the Minister of Health, with membership consisting, inter alia, of representatives of the technical departments and units within MSPP, as set forth in the MSPP Operations Manual. The functions of the Steering Committee include, inter alia: (a) ensuring consistency of activities with the MSPP’s policy and strategy and review policy issues relevant to the achievement of Project development objectives; (b) approving annual action plans and budgets; and (c) reviewing annual monitoring reports and audits to validate recommendations for improvement and take appropriate actions in support of implementation.

3. For the purpose of carrying out Parts A and B.1 of the Project, the Recipient shall maintain throughout the duration of the Project a team of professionals in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association as set forth in the MSPP Operations Manual (the Contracting Team). The functions of the Contracting Team shall include, inter alia: (a) ensuring coordination and communication with all entities involved in implementing contracts, including technical units of the MSPP at central and decentralized levels; (b) administering the Results-Based Payments Agreements; (c) ensuring payment to Beneficiaries upon verification of agreed results in a timely manner to avoid service interruption; and (d) monitoring and evaluation of performance of the Beneficiaries and identification of implementation bottlenecks and corresponding solutions.
4. For the purpose of carrying out Part B.2 of the Project, the Recipient shall cause FAES to maintain throughout the duration of the Project a team of professionals consisting of key staff with qualifications and terms of reference satisfactory to the Association. The functions of the said team shall include, inter alia: (a) planning and supervising activities under Part B.2 of the Project; (b) monitoring and evaluating the performance of the FAES consultants; (c) maintaining records of transactions and a separate account for the Project; (d) preparing, consolidating and producing the Project’s financial statements, quarterly unaudited Interim Financial Reports and other financial information required by the Recipient and or the Association; and (e) supervising procurement procedures, including the preparation and supervision of tender processes as set forth in the FAES Operations Manual.

5. For the purpose of carrying out Part C of the Project, the Recipient shall cause IHSI to maintain throughout the duration of the Project a team of professionals consisting of key staff with qualifications and terms of reference satisfactory to the Association. The functions of the said team shall include, inter alia: (a) ensuring coordination and communication with UNFPA, consultants and stakeholders; (b) planning and supervising activities under Part C of the Project; and (c) causing financial statements for Part C of the Project, semi-annual unaudited Interim Financial Reports and other financial information to be prepared, consolidated and furnished by UNFPA.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part B.2 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (8) available to FAES under a revised subsidiary agreement between the Recipient and FAES, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include:

(a) the obligation of the Recipient to:

   (i) make the part of the proceeds of the Financing available to FAES as a grant under terms and conditions acceptable to the Association; and

   (ii) take all actions necessary to permit FAES to carry out Part B.2 of the Project and ensure the achievement of the objective thereof

(b) the obligation of FAES to:

   (i) carry out Part B.2 of the Project in accordance with this Agreement, the Subsidiary Agreement, the FAES Operations Manual, the
provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient and the annual work plans and budgets approved by the Association, and the Safeguard Documents;

(ii) promptly refund to the Recipient for further refund to the Association any proceeds from the Financing not used for purposes of carrying out Part B.2 of the Project or for achieving its objective, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;

(iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regards to the progress of Part B.2 of the Project and the achievement of its objective, and FAES’s performance of its obligations under the Subsidiary Agreement, the FAES Operations Manual, the annual work plans and budgets approved by the Association and the Anti-Corruption Guidelines and the Safeguard Documents;

(iv) maintain staff in adequate number and with terms of reference, qualifications and experience satisfactory to the Association for the implementation of Part B.2 of the Project;

(v) take, or cause to be undertaken, all necessary actions to enable the Recipient to comply with its respective Project implementation obligations under this Agreement; and

(vi) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of Part B.2 of the Project and the achievement of its objective

(c) a provision stipulating that, in the event of any conflict between any of the provisions of the Subsidiary Agreement or the FAES Operations Manual, and those set forth in this Agreement, the provisions of this Agreement shall prevail.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary 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 the Subsidiary Agreement or any of its provisions.
C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework. In particular, the Recipient shall ensure: (a) that for each activity under the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Project activity, in accordance with the provisions of the Environmental and Social Management Framework; and (b) promptly thereafter, that the relevant activity is implemented in accordance with its Environmental and Social Management Plan.

2. No activity under the Project involving works shall commence before the corresponding Environmental and Social Management Plan has been prepared and disclosed in accordance with paragraph 1 above.

3. 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, waive or fail to enforce any provisions of any of the Safeguard Documents, nor shall it permit FAES to do so.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall through MSPP, or shall cause FAES to, regularly collect, compile and submit to the Association, on a quarterly basis, 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.

5. 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.
E. MSPP Operations Manual

1. For the purpose of carrying out Parts A and B.1 of the Project, the Recipient shall prepare in accordance with terms of reference acceptable to the Association and furnish to the Association for its approval a manual containing detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for the Project.

2. Without limitation upon the foregoing, said manual shall include, inter alia, a detailed elaboration of:

   (a) (i) the description of services to be delivered under the Packages of Maternal and Child Health and Nutrition Services and the Packages of Health Services-Related Activities;

   (ii) the schedule of Results-Based Payments which shall be calculated on the basis of a methodology acceptable to the Association and designed to ensure that the Results-Based Payments: (A) do not exceed the reasonable unit cost of the services to be provided; and (B) are scaled to reflect the quality of the service delivered, the conditions of the locations where the services are to be provided, and the need to ensure a balance between the Packages of Maternal and Child Health and Nutrition Services and other maternal and child health and nutrition services that need to be made available in the targeted area concerned;

   (iii) the procedures and methodology for the evaluation and updating of the Results-Based Payments;

   (iv) the eligibility criteria for, and terms and conditions of, Results-Based Payments Agreements; and

   (v) the procedures for monitoring and evaluation of Results-Based Payments Agreements

   (b) the procedures and criteria for development and delivery of training under Parts A and B.1 of the Project.

3. The Recipient shall exchange views with the Association on the MSPP Operations Manual; and thereafter adopt the MSPP Operations Manual as shall have been approved by the Association (“MSPP Operations Manual”).
4. The Recipient shall:

(a) ensure that Parts A and B.1 of the Project are carried out in accordance with the MSPP Operations 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, not later than January 1 and July 1 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 MSPP Operations Manual, and furnish to the Association for its review, an evaluation of the Results-Based Payments and recommendations of any adjustment required to be made to the Results-Based Payments to ensure that they continue to comply with the criteria set forth in Section I.E.2(a)(ii) of this Schedule; (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on each said evaluation and recommendation; and (iii) adopt and apply such adjusted Results-Based Payments as shall have been approved by the Association under Results-Based Payments Agreements awarded after said date; and

(c) not otherwise revise or waive any provision of the MSPP Operations Manual without the prior written agreement of the Association.

5. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the MSPP Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

F. Results-Based Payments

1. General

Without prejudice to the provisions of Section I.A of this Schedule, the MSPP shall review and approve, on behalf of the Recipient, applications for Results-Based Payments, in accordance with the provisions of this Part F and the MSPP Operations Manual.

2. Results-Based Payments Eligibility and Implementation Guidelines and Procedures for Packages of Maternal and Child Health and Nutrition Services and Packages of Health Services-Related Activities

No proposed Beneficiary shall be eligible for financing under Part A.1(c) of the Project unless, on the basis of a review conducted in accordance with this Part F and the MSPP Operations Manual, the proposed Beneficiary is deemed to satisfy the eligibility criteria specified below and in further detail in the MSPP Operations Manual, which shall include the following:
(a) the proposed Beneficiary is a public or non-profit health service provider carrying out the Package of Health Services-Related Activities (or a unit within the MSPP involved in the supervision of the Project) or carrying out the Package of Maternal and Child Health and Nutrition Services;

(b) the proposed Package of Maternal and Child Health and Nutrition Services or Package of Health Services-Related Activities satisfy respectively the requirements of Part A.1(c) of the Project as described in further detail in the MSPP Operations Manual;

(c) the proposed Package of Maternal and Child Health and Nutrition Services or Package of Health Services-Related Activities are consistent with the relevant sectoral, environmental, and social standards and policies; and

(d) the Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management of the proposed Package of Maternal and Child Health and Nutrition Services or Package of Health Services-Related Activities.

3. Terms and Conditions of Results-Based Payments Agreements:

(a) The Packages of Maternal and Child Health and Nutrition Services or the Packages of Health Services-Related Activities shall be carried out pursuant to a Results-Based payments agreement ("Results-Based Payments Agreement"), to be concluded between the MSPP on behalf of the Recipient and the respective Beneficiary, under terms and conditions, satisfactory to the Association, as further described in the MSPP Operations Manual, which shall include the following:

(i) a description of the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities, the applicable rates, and applicable performance indicators;

(ii) the obligation of the Beneficiary to: (A) carry out the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities, as the case may be with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the activities are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities;
Activities; and (D) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;

(iii) the obligation of the Beneficiary to carry out the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities in accordance with the provisions of the Anti-Corruption Guidelines and the Safeguard Documents;

(iv) the obligation of the Beneficiary to carry out the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities in accordance with the provisions of the MSPP Operations Manual;

(v) the requirement that the goods and consultants’ services to be financed from the proceeds of the Results-Based Payment shall be procured in accordance with procedures ensuring efficiency and economy as further detailed in Section III of this Schedule, and shall be used exclusively in the carrying out of the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities; and

(vi) the right of the MSPP, on behalf of the Recipient, and of the Recipient in its own right, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Package of Maternal and Child Health and Nutrition Services or the Package of Health Services-Related Activities; and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Results-Based Payment, or obtain a refund of all or any part of the amount of the Results-Based Payment then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under the Results-Based Payments Agreement.

(b) The Recipient or the MSPP, as the case may be, shall exercise its rights and carry out its obligations under each Results-Based Payments
Agreement in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Results-Based Payment, and, except as the Association shall otherwise agree, neither the Recipient nor the MSPP, shall assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Results-Based Payments Agreements, or any of their provisions.

4. **External Controls**

(a) The Recipient shall appoint and thereafter maintain throughout the duration of the Project implementation, an independent verification agency, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the third-party verification of the Packages of Maternal and Child Health and Nutrition Services and the Packages of Health Services-Related Activities to be carried out under Part A.1(c) of the Project.

(b) The Recipient shall cause said auditors to carry out, throughout Project implementation, quarterly verification exercises of the Packages of Maternal and Child Health and Nutrition Services and the Packages of Health Services-Related Activities, including community and focus group surveys, Beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to the Packages of Maternal and Child Health and Nutrition Services and the Packages of Health Services-Related Activities, and assessments of the quality of health services provided under such Activities, in accordance with the provisions of the MSPP Operations Manual.

G. **Agreement for the Provision of Technical Assistance**

1. To facilitate the carrying out of Part C of the Project, the Recipient shall enter into an agreement (the Agreement for the Provision of Technical Assistance) with UNFPA, and thereafter maintain the Agreement for the Provision of Technical Assistance during the implementation of the Project, on terms and conditions acceptable to the Association, including, *inter alia*: the Recipient’s obligation to make the proceeds of the Financing allocated to Category (4) available to UNFPA in order to assist the Recipient, through IHSI in the carrying out of the Project in accordance with the Anti-Corruption Guidelines and the IHSI Operations Manual.

2. The Recipient shall exercise its rights or carry out its obligations under the Agreement for the Provision of Technical Assistance 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, waive, terminate or fail to enforce the Agreement for the Provision of Technical Assistance, or any of its provisions.
H. IHSI Operations Manual

1. The Recipient, through IHSI, shall carry out, and/or cause Part C of the Project to be carried out, in accordance with the IHSI Operations Manual, which consists of different schedules setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

(a) the detailed description of Part C of the Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto;

(b) administrative, accounting, auditing, reporting, financial and disbursement procedures for Part C of the Project, including all pertinent standard documents and model contracts in relation thereto in accordance with the UNFPA Policies and Procedures Manual;

(c) the plan for capacity building and training activities under Part C of the Project;

(d) the plan for the monitoring, evaluation and supervision of Part C of the Project; and

(e) the performance indicators for Part C of the Project.

2. In the event that any provision of the IHSI Operations Manual shall conflict with any of the provisions under this Agreement, the terms of this Agreement shall prevail.

3. The IHSI Operations Manual may only be amended from time to time in consultation with, and prior approval of, the Association.

I. Eligible Emergency

In order to ensure the proper and timely implementation of Part A.3 of the Project aimed to provide immediate response to potential Eligible Emergency, the Recipient shall take all actions required on its behalf to ensure that Part A.3 of the Project is carried out in accordance with the following provisions:

(a) The Recipient shall:

(i) prepare and furnish to the Association for its review and approval, a draft of the Emergency Response Operations Manual setting forth detailed implementation arrangements for Part A.3 of the Project, including: (A) designation of, terms of reference
for, and resources to be allocated to, the entity to be responsible for coordinating and implementing Part A.3 of the Project ("Coordinating Authority"); (B) specific activities which may be included under Part A.3 of the Project, the Emergency Expenditures required therefor and the proposed procedures for such inclusion; (C) financial management arrangements under Part A.3 of the Project; (D) procurement methods and eligibility procedures for Emergency Expenditures to be financed under Part A.3 of the Project; (E) the documentation required for withdrawals of Emergency Expenditures; (F) environmental and social safeguard management frameworks or plans for Part A.3 of the Project, consistent with the Association’s policies on the matter and the provisions of Section D of this Section I; and (G) any other arrangements necessary to ensure proper coordination and implementation of Part A.3 of the Project;

(ii) afford the Association a reasonable opportunity to review and comment on the Emergency Response Operations Manual;

(iii) thereafter, promptly adopt the Emergency Response Operations Manual as shall have been approved by the Association;

(iv) from time to time, submit recommendations to the Association for its consideration for changes and updates of the Emergency Response Operations Manual, as they may become necessary or advisable during Project implementation to allow, if and as necessary, the inclusion of activities under Part A.3 of the Project to respond to an Eligible Emergency;

(v) ensure that Part A.3 of the Project is carried out in accordance with the Emergency Response Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the Emergency Response Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(vi) not amend, suspend, abrogate, repeal or waive any provision of the Emergency Response Operations Manual without the prior approval by the Association.

(b) The Recipient shall, throughout the implementation of Part A.3 of the Project, maintain the Coordinating Authority, with staff in adequate numbers and with qualifications and resources satisfactory to the Association.
The Recipient shall refrain from undertaking and/or financing any activities under Part A.3 of the Project (nor any activities shall be included and/or financed under such Part) unless and until the following conditions have been met in respect of said activities:

(i) the Recipient has determined that an Eligible Emergency has occurred, has furnished to the Association a request to include said activities under Part A.3 of the Project in order to respond to said Eligible Emergency, and the Association has: (A) agreed with such determination; (B) accepted said request; and (C) notified the Recipient thereof; and

(ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the Emergency Response Operations Manual, the Association has approved all such instruments, and the Recipient has implemented to the satisfaction of the Association any actions which are required to be taken under said instruments.

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 quarter, 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 (or cause to be prepared) and furnish (or cause to be furnished) to the Association not later than forty-five (45) days after the end of each reporting period, interim unaudited financial reports for the Project covering: (a) the pertinent calendar quarter for Parts A and B of the Project; and (b) the pertinent calendar semester for Part C of the Project; all in form and substance satisfactory to the Association.
3. The Recipient shall have the Financial Statements for Parts A, B and C of the Project 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. 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.

4. The Recipient shall cause FAES to: (a) 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 and financial condition of FAES, including the operations, resources and expenditures related to Part B.2 of the Project; and (b) have its financial statements referred to in (a), audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of FAES. FAES shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

5. The Recipient shall cause UNFPA to: (a) 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 and financial condition of Part C of the Project, including the operations, resources and expenditures related to said Part C of the Project; and (b) have the Financial Statements for the Project audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of said Financial Statements shall cover the period of one calendar year. 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, 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 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, Works and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Procurement from the United Nations Children’s Fund (UNICEF), World Health Organization (WHO), Pan American Health Organization (PAHO), United Nations Office for Project Services (UNOPS), World Food Programme (WFP) and United Nations Population Fund (UNFPA).

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 5.3 and 5.6 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) contracting of UN Agencies and PAHO.
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, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Parts A.1 (a) and (b) and B.1 of the Project</td>
<td>9,405,809.33</td>
<td>Pro memoriam</td>
</tr>
<tr>
<td>(2) Results-Based Payments under Part A.1 (c) of the Project</td>
<td>13,343,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Parts A.2 (a), (b), (c), (d), (e) and (f) and B.2 of the Project</td>
<td>2,543,483.00</td>
<td>Pro memoriam</td>
</tr>
<tr>
<td>(4) Conditional Cash Grants under Part A.2 (g) of the Project</td>
<td>-</td>
<td>Pro memoriam</td>
</tr>
<tr>
<td>(5) Goods, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Part C of the Project</td>
<td>3,680,096</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Emergency Expenditures under Part A.3 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(7) (a) Goods, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Part A.1 (b) and (d) of the Project</td>
<td>750,000</td>
<td>0% until and unless all the proceeds of the Co-financing have been fully disbursed and 100% thereafter</td>
</tr>
<tr>
<td>(b) Goods, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Parts A.1 (a), A.2 and B.1 of the Project</td>
<td>14,315,458.67</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Goods, works, non-consulting services, consultants' services including audit, Training and Operating Costs for Part B.2 (a) and (b) of the Project</td>
<td>2,662,153</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>46,700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this table, Categories (1), (3) and (4) are mentioned *pro memoriam* only and include disbursements made as of the date of this Agreement Providing for the Amendment and Restatement of the Financing Agreement.
B. Withdrawal Conditions; Withdrawal Period

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

   (a) under Category (5) until and unless: (i) the Recipient has adopted and caused IHSI to adopt the IHSI Operations Manual; and (ii) the Agreement for the Provision of Technical Assistance has been executed between the Recipient and UNFPA; both in form and substance satisfactory to the Association; and

   (b) under Category (6), for Emergency Expenditures under Part A.3 of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said Emergency Expenditures:

      (i) the Recipient has determined that an Eligible Emergency has occurred, has furnished to the Association a request to include said Eligible Emergency under Part A.3 of the Project in order to respond to said Eligible Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

      (ii) the Recipient has prepared and disclosed all safeguards instruments required for said Eligible Emergency, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.I of this Schedule;

      (iii) the Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.E of this Schedule 2 to this Agreement, for the purposes of said activities; and

      (iv) the Recipient has adopted the Emergency Response Operations Manual in form, substance and manner acceptable to the Association and the provisions of the Emergency Response Operations Manual are fully current in accordance with the provisions of Section I.I of this Schedule 2 so as to be appropriate for the inclusion and implementation Part A.3 of the Project.

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

Section I.  Definitions

1. "Agreement for the Provision of Technical Assistance" means the Agreement to be signed between the Recipient and UNFPA for the provision of technical assistance under Part C of the Project.


4. "Beneficiary" or "Beneficiaries" means an entity to which or for whose benefit a Results-Based Payment (as hereinafter defined) is made or proposed to be made out of the proceeds of the Financing and which is a party to a Results-Based Payments Agreement (as hereinafter defined).

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


7. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of twenty million Dollars (US$20,000,000), to be provided by the Co-financier to assist in financing Part A.1(b), (c) and (d) of the Project.

8. "Co-financing Agreement" means the Agreement Providing for the Amendment and Restatement of the Multi-donor Trust Fund for Health Results Innovation Grant Agreement" of even date herewith between the Recipient and the Co-financier, providing for the Co-financing, i.e., a grant to assist in the financing of Part A.1(b), (c) and (d) of the Project.

10. “Contingent Emergency Response” means the operational response carried out under Part A.3 of the Project and to be financed out of the proceeds of the Financing allocated from time to time to Category (5) set forth in the table in Section IV of Schedule 2 to this Agreement in response to an Eligible Emergency.

11. “Contracting Team” means the contracting team referred to in Section I.A.3 of Schedule 2 to this Agreement.

12. “Coordinating Authority” means the entity or entities designated by the Recipient in the Emergency Response Operations Manual to be responsible for coordinating the emergency mitigation, response and recovery response activities under Part A.3 of the Project and approved by the Association pursuant to the provisions of Section I.I of Schedule 2 to this Agreement.

13. “Eligible Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.


15. “Emergency Expenditures” means the eligible expenditures required to finance the cost of the approved list of goods, works, and services necessary to support emergency mitigation, response and recovery under Part A.3 of the Project and set forth in the Emergency Response Operations Manual.

16. “Emergency Response Operations Manual” means the operations manual to be adopted by the Recipient for Part A.3 of the Project in accordance with the provisions of Section I.I of Schedule 2 to this Agreement.

17. “Environmental and Social Management Framework” collectively means the Recipient’s environmental and social management framework dated August 1, 2012, and FAES’s environmental and social management framework dated August 1, 2012, both in form and substance satisfactory to the Association and referred to in Section I.D.1 of Schedule 2 to this Agreement, detailing the guidelines, procedures and timetables to carry out the environmental and social assessments to be developed under the Project and to prepare the respective ESMP.

18. “Environmental and Social Management Plan” or “ESMP” means the environmental and social management plan(s) to be prepared and disclosed by the Recipient and/or FAES in accordance with the Environmental and Social Management Framework with respect to the Project activities included in the annual work plan and budget satisfactory to the Association in accordance with Section I.D.1 of Schedule 2 to this Agreement. Such plan(s) shall specify: (a) 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; (b) the guidelines for the adoption of integrated medical waste management approach and measures in all applicable activities; and (c) the actions needed to implement such measures.

19. "FAES" means Fonds d'Assistance Economique et Sociale, the Recipient's Fund for Economic and Social Assistance, an entity with legal personality established by FAES Legislation.

20. "FAES Legislation" means the Recipient's decree dated May 28, 1990, published in the Recipient's official Gazette ("Le Moniteur") of June 03, 1990 which created the FAES under the authority of the Recipient's ministry responsible for economy and finance.

21. "FAES Operations Manual" means, collectively, the FAES manual entitled "Manuel d'Opération" dated March 28, 2013, as amended and the FAES manual entitled "Manuel des Procédures Administratives, Comptables et Financières" dated March 28, 2013, all acceptable to the Association, setting forth the rules, methods, guidelines, specific development plans, standard documents and procedures to be maintained for the carrying out of Part B.2 of the Project, including the Environmental and Social Management Framework in respect of FAES. "FAES Operation Manual" includes all annexes to said manual and its amendments, provided that they have been previously approved by the Association.

22. "Fifth General Population and Housing Census" means a census to be carried out by IHSI in cooperation with UNFPA under Part C of the Project.

23. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modification set forth in Section II of this Appendix.


25. "IHSI Operations Manual" means the Recipient’s manual acceptable to the Association, to be adopted by the Recipient and IHSI, for the implementation of Part C of the Project, as said manual may be amended from time to time with the agreement of the Association.

27. “MSPP Operations Manual” means collectively, the MSPP’s manual entitled “Manuel d’Opération”, and the MSPP’s manual entitled “Manuel des Procédures Administratives, Comptables et Financières”, all acceptable to the Association, setting forth the rules, methods, guidelines, specific development plans, standard documents and procedures to be maintained for the carrying out of Parts A.1 and B.1 of the Project, including the eligibility criteria and procedures for the implementation and the Environmental and Social Management Framework. “MSPP Operation Manual” includes all annexes to said manual and its amendments, provided that they have been previously approved by the Association.

28. “Multi-donor Trust Fund for Health Results Innovation” means the trust fund established in December 2007 by various donors to support results-based financing approaches in the health sector for the achievement of the health-related millennium development goals.

29. “Operating Costs” means the incremental expenses incurred on account of Project implementation, supervision, monitoring and evaluation, including office equipment and supplies, reasonable commercial banking charges and fees, operation and maintenance of offices, office equipment and vehicles, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees, excluding salaries of civil servants.

30. “Package(s) of Maternal and Child Health and Nutrition Services” means any of the services referred to under Part A.1(c)(i) of the Project.

31. “Package(s) of Health Services-Related Activities” means the activities relating to supporting, monitoring and promoting the provision of the Packages of Maternal and Child Health and Nutrition Services and in support of which a Results-Based Payment (as hereinafter defined) is made or proposed to be made under Part A.1(c) of the Project.

32. “PAHO” means the Pan American Health Organization.


34. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 12, 2013 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. "Results-Based Payment" means a payment made or proposed to be made out of the proceeds of the Financing in support of Part A.1(c) of the Project.

36. "Results-Based Payments Agreement" means any of the agreement(s) referred to in Section I.F.3 of Schedule 2 to this Agreement.

37. "Safeguard Documents" means collectively the Environmental and Social Management Framework and the Environmental and Social Management Plans prepared for specific activities carried out under the Project, if any.

38. "Steering Committee" means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.

39. "Subsidiary Agreement" means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.

40. "Training" means expenditures (other than those for Consultants’ Services) incurred by the Recipient to finance: (a) reasonable travel, room, board and per diem expenditures as 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.


44. "UNOPS" or "United Nations Office for Project Services" means an independent self-financing member of the United Nations family serving as a central resource for the United Nations system in procurement and contracts management.

45. "WFP" means the World Food Programme.

46. "WHO" means the World Health Organization.

Section II. Modification to the General Conditions

The modification to the General Conditions is as follows:

In section 6.02(1), the term “Project Implementing Entity” includes the FAES.